

Stock Code: 600884

Abbreviation: NBSS

Ningbo Shanshan Co., Ltd. 2024 Annual Report

Important Notes

I. The Board of Directors, the Board of Supervisors, and directors, supervisors and senior management of the Company confirm that the content of this Annual Report is true, accurate and complete and has no false representations, misleading statements or material omissions, and they individually and collectively accept legal responsibility for such content.

II. All directors of the Company attended the Board meeting.

III. Pan-China Certified Public Accountants LLP issued a standard audit report with unqualified opinions for the Company.

IV. Zhou Ting, Chairwoman of the Company, Li Keqin, Chief Financial Officer of the Company, and Xu Lie, Person in Charge of the Accounting Office (Head of the Accounting Department), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this Annual Report.

V. Proposal of profit appropriation or proposal of transferring capital reserve into share capital for the Reporting Period was reviewed by the Board of Directors

According to the audit report issued by Pan-China Certified Public Accountants LLP, the net profit attributable to shareholders of the listed company in the consolidated financial statements for the year 2024 was RMB-367,136,028.73, while the net profit in the parent company's financial statements was RMB-305,639,501.63. In light of the overall loss for 2024 and pursuant to the relevant provisions of the *Articles of Association*, the Company does not meet the prerequisite conditions for cash dividend distribution. Taking into full account the Company's current business operations and future development needs, and in order to safeguard the long-term interests of the Company and its shareholders, the Company proposes not to distribute cash dividends, issue bonus shares, or convert capital reserves into share capital for the year 2024.

VI. Risk associated with forward-looking statements

Applicable Not applicable

The forward-looking description in this Report such as the Company's future plans and development strategies does not constitute an actual commitment of the Company to investors. Investors should be aware of the investment risks.

VII. Was there any misappropriation of the Company's capital by the controlling shareholders and other related parties for non-operational purposes?

Yes

VIII. Did the Company provide any guarantee to external parties in violation of the required decision-making process?

No

IX. Did more than half of the directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company?

No

X. Material risk alert

The Company has detailed the possibly relevant risk in this Report, investors may refer to “(IV) Risk Exposures” in “VI. Discussion and Analysis on Future Development of the Company” under “Section III Management Discussion and Analysis”.

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Documents Available for Inspection	Financial statements containing the signatures and seals of the Chairman of the Company, the Chief Financial Officer of the Company and the Person in Charge of the Accounting Office (Head of the Accounting Department).
	Original audit report containing the seal of the accounting firm and the signature and seal of the certified public accountant.
	The original copies of all documents and announcements disclosed during the Reporting Period.

Section I Definitions

I. Definitions

In this Report, unless the context otherwise requires, the following expressions shall have meanings as follows:

Definitions of Common Terms	
Reporting Period	Year 2024
CSRC	China Securities Regulatory Commission
CSRC Ningbo Branch	Ningbo Regulatory Bureau of the China Securities Regulatory Commission
CSRC Liaoning Branch	Liaoning Regulatory Bureau of the China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
CSDC	China Securities Depository and Clearing Co., Ltd.
Pan-China	Pan-China Certified Public Accountants LLP
BDO	BDO China Shu Lun Pan Certified Public Accountants LLP
Yinzhou Court	People's Court of Yinzhou District, Ningbo City, Zhejiang Province
GDR	Global depository receipt
2022 Equity Incentive Plan	2022 Stock Option and Restricted Share Incentive Plan
The Company, Company or NBSS	Ningbo Shanshan Co., Ltd.
Shanshan Holdings	Shanshan Holdings Co., Ltd.
Shanshan Group	Shanshan Group Co., Ltd.
Pengze Trading	Ningbo Pengze Trading Co., Ltd. (宁波朋泽贸易有限公司)
Yinzhou Jielun	Ningbo Yinzhou Jielun Investment Co., Ltd. (宁波市鄞州捷伦投资有限公司)
Yongquan Investment	Ningbo Yongquan Investment Co., Ltd.
Shanshan New Energy	Ningbo Shanshan New Energy Technology Development Co., Ltd.
Shanshan Anode	Shanghai Shanshan Lithium Battery Materials Technology Co., Ltd. (上海杉杉锂电材料科技有限公司) and its subsidiaries
Fujian Shanshan	Fujian Shanshan Technology Co., Ltd.
Sichuan Shanshan	Sichuan Shanshan New Material Co., Ltd.
Ningbo Shanshan	Ningbo Shanshan New Material Technology Co., Ltd.
Shanjin Optoelectronics	Shanjin Optoelectronics (Suzhou) Co., Ltd. and its subsidiaries
Shanjin Nanjing	Shanjin Optoelectronics (Nanjing) Co., Ltd.
Shanjin Guangzhou	Shanjin Optoelectronics (Guangzhou) Co., Ltd.
BASF Shanshan	BASF Shanshan Battery Material Co., Ltd.
Quzhou Shanshan	"Shanshan Advanced Materials (Quzhou) Co., Ltd.", the Company's former electrolyte subsidiary, now renamed "Sunyes Shanshan New Material Technology (Quzhou) Co., Ltd. (新亚杉杉新材料科技(衢州)有限公司)"
Dongguan Shanshan	Dongguan Shanshan Battery Material Co., Ltd.
Shanxin Photovoltaic	Ningbo Shanxin Photovoltaic Energy Management Co., Ltd. (宁波杉鑫光伏能源管理有限公司)
Ningbo Ulica or Ulica	Ningbo Ulica SOLAR Co., Ltd.
Suiyong Holdings	Suiyong Holdings Co., Ltd.
Shanshan Brand	Shanshan Brand Management Co., Ltd.
Xinya Process	Xinya Process (Zhejiang) Co., Ltd. (新亚制程(浙江)股份有限公司)
Xinya Zhongning	Zhejiang Xinya Zhongning New Energy Co., Ltd.

Section II Company Profile and Key Financial Indicators

I. Company Information

Chinese name of the Company	宁波杉杉股份有限公司
Chinese abbreviation of the Company	杉杉股份
Foreign name of the Company	NINGBO SHANSHAN CO., LTD.
Foreign abbreviation of the Company	NBSS
Legal representative of the Company	Zhou Ting

II. Contact Details

	Board secretary	Securities representative
Name	Chen Ying	Lin Feibo
Address	F/28, Shanshan Plaza, 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province	F/28, Shanshan Plaza, 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province
Tel.:	0574-88208337	0574-88208337
Fax:	0574-88208375	0574-88208375
Email	ssgf@shanshan.com	ssgf@shanshan.com

III. General Information

Registered office of the Company	Room 801 (Shanshan Plaza), 777 Rili Middle Road, Shounan Street, Yinzhou District, Ningbo City, Zhejiang Province
Change of the Company's registered address	In September 1996, the registered address of the Company was changed from 139 Baizhang Road, Jiangdong District to 158 Baizhang Road, Jiangdong District; in August 2007, the registered address of the Company changed from 158 Baizhang Road, Jiangdong District to 238 Central Yunlin Road, Wangchun Industrial Park, Ningbo; in February 2016, the registered address of the Company was changed from 238 Central Yunlin Road, Wangchun Industrial Park, Ningbo to No. 801, Shanshan Plaza, 777 Rili Middle Road, Shounan Street, Yinzhou District, Ningbo City, Zhejiang Province.
Office address of the Company	F/28, Shanshan Plaza, 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province
Postal code of the office address of the Company	315100
Company's website	www.ssgf.net
Email	ssgf@shanshan.com

IV. Information Disclosure and Place Available for Inspection

Name and website of the media where the Company discloses its annual report	China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times (hereinafter collectively called "designated media")
Website of the stock exchange where the Company discloses its annual report	www.sse.com.cn
Location for inspection of the annual report of the Company	F/28, Shanshan Plaza, 777 Rili Middle Road, Yinzhou District, Ningbo City, Zhejiang Province

V. Shares of the Company

V. Shares of the Company

Type of shares	Stock exchange for listing	Stock abbreviation	Stock code
A Shares	Shanghai Stock Exchange	NBSS	600884
GDR	SIX Swiss Exchange	Ningbo Shanshan Co., Ltd.	SSNE

VI. Other Relevant Information

Accounting firm engaged by the Company (China)	Name	Pan-China Certified Public Accountants LLP
	Office address	Tower 2, Run'ao Business Center, Qianjiang Century CBD, Hangzhou, China
	Signing accountant	Lu Yaping, Wang Run

VII. Key Accounting Data and Financial Indicators for the Past Three Years

(I) Key Financial Data

Unit: Yuan Currency: RMB

Key financial data	2024	2023	Increase/Decrease for the period as compared to the same period last year (%)	2022
Operating revenue	18,679,729,021.40	19,070,225,164.95	-2.05	21,701,617,268.32
Operating revenue excluding income unrelated to the principal business and income without commercial substance	18,519,788,118.73	18,895,940,365.41	-1.99	20,541,007,253.43
Net profits attributable to shareholders of the listed company	-367,136,028.73	765,337,842.07	-147.97	2,691,262,599.60
Net profit attributable to shareholders of the listed company, net of non-recurring profit or loss	-768,397,083.95	218,864,413.71	-451.08	2,328,894,845.78
Net cash flows from operating activities	1,860,217,174.57	-198,131,598.40	N/A	506,497,694.79
	End of 2024	End of 2023	Increase/Decrease as at the end of the period as compared to the end of the same period last year (%)	End of 2022
Net assets attributable to	21,581,444,072.50	22,669,169,067.26	-4.80	23,053,341,900.80

shareholders of the listed company				
Total assets	46,207,982,304.59	48,474,965,995.75	-4.68	44,925,491,219.31
Total share capital at the end of the period	2,253,396,168.00	2,258,223,223.00	-0.21	2,263,973,358.00

(II) Key Financial Indicators

Key financial indicators	2024	2023	Increase/Decrease for the period as compared to the same period last year (%)	2022
Basic earnings per share (RMB/share)	-0.17	0.35	-148.57	1.23
Diluted earnings per share (RMB/share)	-0.17	0.35	-148.57	1.23
Basic earnings per share after deduction of extraordinary items (RMB/share)	-0.35	0.10	-450.00	1.06
Weighted average return on net assets (%)	-1.66	3.35	Decrease by 5.01 percentage points	12.93
Weighted average return on net assets ratio after deduction of extraordinary items (%)	-3.47	0.96	Decrease by 4.43 percentage points	11.19

Description of major accounting data and financial indicators for the three years prior to the end of the Reporting Period of the Company

Applicable Not applicable

VIII. Discrepancies in Accounting Data between Chinese and Overseas Accounting Standards

(I) Difference arising from the net profit and net assets attributable to shareholders of the listed company in the financial statements disclosed simultaneously in accordance with the international and Chinese accounting standards

Applicable Not applicable

(II) Difference arising from the net profit and net assets attributable to shareholders of the listed company in the financial statements disclosed simultaneously in accordance with the overseas and Chinese accounting standards

Applicable Not applicable

(III) Description of discrepancies between Chinese and Overseas Accounting Standards

Applicable Not applicable

IX. Quarterly Key Financial Data for 2024

Unit: Yuan Currency: RMB

	The First Quarter (January to March)	The Second Quarter (April to June)	The Third Quarter (July to September)	The Fourth Quarter (October to December)

			September)	December)
Operating revenue	3,752,317,241.38	5,067,538,794.53	4,463,778,802.55	5,396,094,182.94
Net profits attributable to shareholders of the listed company	-73,281,825.97	90,856,362.63	5,638,334.61	-390,348,900.00
Net profit attributable to shareholders of the listed company, net of non-recurring profit or loss	-73,353,880.26	97,260,315.72	12,426,260.56	-804,729,779.97
Net cash flows from operating activities	324,460,529.12	367,011,646.46	312,009,647.62	856,735,351.37

Differences between data by quarter and data disclosed in periodical reports

Applicable Not applicable

X. Non-recurring Profit or Loss Items and Amounts

Applicable Not applicable

Non-recurring profit and loss items	Unit: Yuan Currency: RMB		
	Amount in 2024	Amount in 2023	Amount in 2022
Gains and loss from the disposal of non-current assets (including the written off part for which provision for asset impairment has been made)	316,840,173.22	343,135,585.57	165,749,941.33
Government grants included in the current profit and loss, except those closely related to the Company's normal operations, conforming to the State policies and regulations, enjoyed persistently in line with certain standard ratings or rations, and having a lasting impact on the Company's profit and loss	149,274,614.29	433,970,874.27	173,791,345.88
Payment for the use of funds included in the current profit and loss and collected from non-financial business	3,675,997.31	31,320,394.52	
Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses from disposal of financial assets and financial liabilities, except for effective hedging operations related to the Company's normal business operations	4,062,734.07	-7,516,000.00	42,133,153.64
Reversal of impairment provisions for accounts receivable subject to separate impairment testing	13,610,635.00		
Non-operating income and expenses other than those mentioned above	-29,208,772.72	-34,257,498.06	10,295,394.82
Less: effect of income tax	45,550,658.41	177,879,353.22	19,786,071.03
Effect of non-controlling interests (after tax)	11,443,667.54	42,300,574.72	9,816,010.83
Total	401,261,055.22	546,473,428.36	362,367,753.82

The reason for the Company defining items not listed in the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Profit or Loss (《公开发行证券的公司信息披露解释性公告第1号——非经常性损益》) as non-recurring profit or loss items with significant amount, and the reason for defining the non-recurring profit or loss items illustrated in the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Profit or Loss (《公开发行证券的公司信息披露解释性公告第1号——非经常性损益》) as recurring profit or loss items should be specified.

Applicable Not applicable

XI. Items Measured at Fair Value

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Change during the period	Amount of impact on the profits for the period	Closing balance
Other equity instrument investment	842,256,655.01	-715,770,336.48		126,486,318.53
Other non-current assets	202,225,284.01	34,812,023.85	-7,980,334.68	237,037,307.86
Receivable financing	819,020,204.62	-776,801,242.85		42,218,961.77
Total	1,863,502,143.64	1,457,759,555.48	-7,980,334.68	405,742,588.16

Section III Management Discussion and Analysis

I. Operation Discussion and Analysis

Operation Profile

During the Reporting Period, despite a complex and evolving external business environment and industry dynamics, the Company remained focused on its strategic priorities and continued to drive innovation. As a result, both of its core businesses achieved steady growth in sales volume, with market share consistently ranking among the industry leaders. In 2024, the Company's total operating revenue from anode materials and polarizer business amounted to RMB18.636 billion, with a net profit of RMB659 million. Guided by customer demand, the anode materials business enhanced product competitiveness through R&D-driven innovation and deepened strategic cooperation with key clients, resulting in a significant year-on-year increase in sales volume. Profitability also improved markedly year-on-year, driven by accelerated ramp-up of integrated production capacity in Yunnan, product mix optimization, and cost reduction and efficiency enhancement initiatives. The polarizer business segment continued to consolidate its leading position in the global market by its strategic positioning through core technology patents, breakthroughs in high-end product R&D, and increased localization of raw materials, thereby further strengthening its core competitiveness. In addition, as of the date of disclosure of this Report, the Company has successfully completed the closing of the SP business acquisition, which, by integrating the target company's core patent technologies and global customer resources, will further enhance polarizer business' technological advantages and high-end product deployment.

During the Reporting Period, the Company realized an operating income of RMB18.68 billion; net profit attributable to shareholders of the listed company of RMB -367 million; and net profit attributable to shareholders of the listed company of RMB -768 million after deduction of non-recurring profit or loss. Reasons for the net loss in the Reporting Period:

(1) Significant losses incurred by investee companies, including BASF Shanshan and Suiyong Holdings in which the Company holds long-term equity investments, with a loss of RMB506 million from long-term equity investments accounted for using the equity method.

(2) Considering changes in the industry market and actual operating conditions, and based on the principle of prudence, the Company has made provisions for impairment on long-term equity investments representing 49% stake in BASF Shanshan and 31.25% stake in Quzhou Shanshan, goodwill generated from the acquisition of the polarizer business, and other receivables arising from the disposal of the electrolyte business, with an estimated impact on profits and losses of approximately RMB-394 million;

(3) The parent Company's financial expenses and two other major operating costs as well as other costs are projected to impact profits and losses of approximately RMB-368 million.

(I) Anode Material Business

In 2024, the anode material industry demand maintained steady growth; however, the overall industrial chain of lithium battery materials was still experiencing a phase of excess capacity, leading to intense market competition and persistently low prices for anode materials. The industry has entered a

period of accelerated reshuffling. During the Reporting Period, the Company achieved a significant increase in sales volume through proactive measures such as deeply cultivating the market, enhancing collaboration with major customers, and maintaining a leading edge in product iteration. In 2024, the sales volume of the Company's anode materials experienced a year-on-year growth of 28.44%. Benefiting from increased downstream demand and the implementation of cost reduction and efficiency enhancement initiatives, the Company saw a strong order backlog for anode materials beginning in the second quarter of 2024, resulting in a substantial year-on-year increase in net profit.

The details are as follows:

- **Maintaining a Leading Position in the Market**

The Company has continuously strengthened the depth and breadth of cooperation with global leading battery companies, and achieved significant growth in sales to the major customers, with the growth rate of anode materials sales of the Company surpassing that of the industry. According to data from ICC, the Company maintained its market leadership in artificial graphite anode materials in 2024.

- **Focusing on Customer Needs and Continuously Innovating through Product Iteration**

The Company adhered to the strategy of product leadership and maintained a high level of investment in research and development. The Company's artificial graphite products are consistently developed with a downstream customer demand-oriented approach, enabling continuous breakthroughs in both innovative technologies and product performance. For instance, high-energy density 6C ultra-fast charging anode materials for power applications have been supplied to major customers in China, and 6C+ extreme fast charging anode materials for digital devices have been supplied to major battery customers; the second-generation long-life artificial graphite for power applications, as well as the silicon-matched graphite for 3C fast charging, has achieved mass production. These advancements cement the Company's leadership in fast-charging technology.

The Company has continuously achieved technological iterations and upgrades in its silicon-based anode products, having successfully developed proprietary homogeneous deposition technology for silicon-carbon anodes. This advancement significantly improves the material's cycling stability and rate capability. Currently, the Company's silicon-based anode production line in Ningbo has achieved mass production capabilities. The new high-pressure, long-cycle silicon-carbon anode products have entered mass production and have been certified by major customers at home and abroad, resulting in successful batch deliveries.

The Company's hard carbon anode products are leading in capacity, high temperature and processing performance. The self-designed 1,000-ton hard carbon production line has been put into production, enabling batch application in the fields of sodium battery, lithium battery (including semi-solid-state/all-solid-state batteries) and supercapacitor, while also achieving successful adoption by major customers.

- **Adhering to a Major Customer Strategy and Continuously Optimizing Client Mix**

The Company has established long-term stable partnership with global mainstream lithium battery manufacturers. In 2024, sales to major customers such as CATL, ATL, etc. experienced significant year-on-year growth, with their sales growth rates substantially outpacing the overall growth of the Company's

anode sales. The share of sales made to the top ten customers also increased.

- **Enhancing Cost Leadership Strategy and Focusing on Cost Reduction and Efficiency Enhancement**

Facing the profitability pressure brought about by the decline of product prices, the Company has undertaken in-depth initiatives to enhance efficiency and optimize potential. By setting clear cost reduction targets and thoroughly exploring avenues for cost savings, the Company is committed to significantly improving its profitability. During the Reporting Period, the Company consistently implemented cost-reduction initiatives, including lowering raw material costs, optimizing production processes to reduce energy consumption, and enhancing efficiency through intelligent manufacturing. The Company's self-developed proprietary chamber furnace technology has undergone multiple generations of technical upgrades, driving further reductions in graphitization processing costs while significantly enhancing production efficiency and cost competitiveness.

(II) Polarizer Business

During the Reporting Period, the end market of the display industry exhibited signs of a gradual recovery, which in turn drove year-on-year growth in overall demand for polarizers. At the same time, the competitive landscape of the polarizer industry underwent notable changes, as Japanese and Korean manufacturers gradually scaled back production capacity or exited the market, while Chinese manufacturers actively seized market share through mergers and acquisitions as well as capacity expansion. In this process, industry concentration continued to increase, and competition in the domestic market intensified. As competition further deepened, polarizer product prices came under increased pressure, presenting new challenges to the Company's polarizer business development.

Leveraging product advantages, supply chain resilience, and entrenched customer loyalty, the Company achieved robust sales growth in its polarizer business while maintaining a leading global market share. According to the data of CINNO Research, in 2024, the Company's market share in large-size polarizers (including TFT-LCD TVs/displays/notebooks) in terms of shipment area was approximately 33%, remaining the world's No. 1.

The details are as follows:

- **Advancing High-End Product R&D and Market Expansion, and Driving Iterative Upgrades of Products**

In 2024, the Company continued to strengthen its leadership in LCD polarizer products through a dual-driving strategy of strategic customer collaboration and technological innovation. This approach reinforced the Company's leadership in high-end TV polarizer products while significantly increasing its share in the high-end small and medium-sized product segment. In terms of the high-end TV polarizer products, the Company has maintained stable shipments of ultra-low reflection, high transmission, wide-viewing angle, and super-size 115-inch polarizers. Through ongoing technological innovations, the Company has solidified and enhanced its leadership in the high-end TV market. In terms of small and medium-sized products, the Company has utilized low-impedance, wide-viewing angle, and ultra-thin

technologies to meet the market's urgent demand for lightweight, high-definition, and high-reliability solutions. At the same time, it continued to invest in R&D to drive ongoing product upgrades and iterations.

At the same time, the Company has accelerated the industrialization of OLED polarizer products. The Company has successfully developed solutions suitable for both large-sized and small and medium-sized OLED applications, with several models having received certification from multiple well-known brands. The polarizers for OLED TV have achieved stable shipments and significantly increased market share, while polarizers for OLED smartphones and displays entered mass production and shipment, and the Company would continue to advance customer certification

In terms of automotive polarizer, the Company has established a robust reserve of core technologies, enabling it to offer a variety of polarizer solutions characterized by low-impedance, wide-viewing angle, high transmission, and customized processing, to meet the stringent demands of automotive displays. The closing of acquisition of the automotive polarizer business has been successfully completed, and stable shipments are currently in progress.

- **Maintaining High-Intensity R&D Investment, and Strengthening Technological Advantages**

During the Reporting Period, the Company continued to advance the establishment of its global polarizer R&D center, enhance collaboration between industry, academia, and research institutions, actively attract high-end talent and advanced technologies to achieve independent and secure technology development in the polarizer field, while promoting technological iteration and advancement within the display industry through collaborative innovation. At the same time, the acquisition of the SP business further augmented the Company's overall technical and product capabilities. The Company possesses core technology patents spanning optical engineering, materials, adhesion technologies, and production processes, with its patent portfolio granted in multiple countries, including China, South Korea, Japan, and the United States.

- **Continuously Enhancing Process Innovation, and Strengthening Supply Chain Resilience**

During the Reporting Period, the Company further advanced process innovations to achieve enhancement in both product quality and production efficiency. In terms of production processes, the Company consistently focuses on metrics such as yield rates and material wastage rates. By optimizing production workflows through lean manufacturing principles, the Company has successfully reduced waste and enhanced production efficiency; Regarding workshop management, the Company has upgraded its smart manufacturing capabilities, which ensures seamless information connectivity while maintaining production safety, thereby achieving integration of internal and external workshop management. This has elevated the levels of intelligence and automation, resulting in reduced product defect rates and lower energy consumption.

In addition, the Company has strengthened collaboration with strategic suppliers to enhance the meticulous management of material costs and expedite the localization of raw material sourcing. These initiatives have bolstered the security and stability of the supply chain, thereby enhancing our competitiveness.

II. Industry Status during the Reporting Period

(I) Overview of Anode Materials Industry

According to the White Paper on the Development of China's New Energy Vehicle Power Battery Industry (2025) released by EVTank in conjunction with China YiWei Institute of Economics, global sales of new energy vehicles reached 18.236 million units in 2024, representing a year-on-year increase of 24.4%. Geographically, driven by favorable policies such as trade-in incentives and the promotion of new energy vehicles in rural areas, China's sales of new energy vehicles reached 12.866 million units in 2024, representing a year-on-year increase of 35.5% and accounting for 70.5% of global sales up from 64.8% in 2023; the annual sales of new energy vehicles in the Europe and the United States in 2024 was 2.89 million units and 1.573 million units, respectively, with year-on-year growth rates of -2.0% and 7.2%, respectively. Driven by the growing demand for new energy vehicles, global power battery shipments reached 1,051.2GWh in 2024, representing a year-on-year increase of 21.5%.

Global shipments of energy storage batteries amounted to 369.8GWh in 2024, with a year-on-year growth of 64.9%, according to EVTank data. China's energy storage market experienced significant demand growth in 2024, driven by the renewable energy storage mandate, enhanced deployment by central and state-owned enterprises, and declining costs of energy storage batteries. The overseas energy storage battery market experienced robust demand growth, fueled by mandatory storage requirements and Investment Tax Credit (ITC) incentives in the U.S., coupled with demand growth in emerging markets such as the U.K., Saudi Arabia, and Australia.

Driven by the dual impetus of the new energy vehicle and energy storage markets, market demand for lithium-ion batteries has sustained its upward trajectory, directly propelling the expansion of both production and sales volumes in the anode materials sector. According to data from iccsino.com, global production of anode materials reached 2.1673 million tons in 2024, representing a year-on-year increase of 23%, with China's share of total output rising to 98.5%; the penetration rate of artificial graphite anode materials also increased to 89%, showing further growth compared to the previous year.

In 2024, anode material prices stabilized overall; however, the industry continued to experience structural overcapacity. Accelerated market order differentiation has expedited the phase-out of low-end production capacity, while leading enterprises expanded their market share by leveraging technological barriers and entrenched customer loyalty. The rapid iteration of technologies such as fast-charging, (semi-)solid-state batteries, and large cylindrical batteries has driven demand for high-performance products, accelerating the R&D and commercialization of next-generation anode materials.

China's laws, administrative regulations, regulations of ministries and industry policies released in 2024

Publication time	Published by	Policy	Content
January 2024	National Development and Reform Commission, National	Guidelines on Enhancing Grid Peak Regulation, Energy Storage and Smart Dispatch Capabilities	To promote the development of customer-side new energy storage system. To focus on end-users such as big data centers, 5G base stations, and industrial parks, optimize customer-side energy storage deployment through integrated generation-grid-load-storage systems, and enhance power supply reliability while

	Energy Administration		improving localized absorption capacity for distributed renewable energy. To explore the development of user-side energy storage facilities, including uninterruptible power supplies and electric vehicles, to promote the participation of electric vehicles in power system regulation through various forms such as smart charging, vehicle-to-grid integration, and battery swapping, and to unlock the potential of distributed demand-side flexibility resources.
March 2024	State Council	The Action Plan for Promoting Large-Scale Equipment Renewal and Consumer Goods Trade-in	To continuously advance the electrification of urban bus fleets by supporting the phased replacement of aging new energy buses and the upgrading of power batteries.....to strengthen industrial capacity building for green aviation equipment, including electric and hydrogen-powered solutions. To accelerate the retirement and replacement of high-energy-consumption, high-emission legacy vessels, while actively promoting the development of new energy-powered ships.....to progressively expand the application scope of new energy vessels such as electric, LNG-powered, biodiesel-compatible, and green methanol-capable vessels.
April 2024	National Energy Administration	Notice on Promoting the Grid Integration and Dispatch Utilization of New Energy Storage Systems	To actively support the development of integrated utilization models that combine new energy with energy storage, aggregation storage systems, and solar-storage-charging hybrids, and to prioritize the dispatch of pilot demonstration projects for novel energy storage, thereby maximizing the value potential of various energy storage solutions.
May 2024	State Council	Action Plan for Energy Conservation and Carbon Reduction (2024-2025)	To phase out purchase restrictions on new energy vehicles across various regions; to implement supportive policies to facilitate the passage of new energy vehicles; and to accelerate the electrification of vehicles in the public sector, while methodically deploying new energy medium and heavy-duty trucks to develop zero-emission freight fleets.
August 2024	State Council	Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development	To spearhead the large-scale adoption of new energy vehicles and accelerate the electrification of urban public service fleets.....To reduce carbon emission intensity per converted turnover unit of operational transportation vehicles by approximately 9.5% by 2030 versus 2020 levels. New energy vehicles are projected to account for the majority of new vehicle sales by 2035.
August 2024	Three departments including National Development and Reform Commission	Action Plan for Accelerating the Development of a New-Type Power System (2024-2027)	To focus on enhancing the system regulation capabilities through advanced energy storage technologies, based on the effective utilization of conventional regulation measures. To conduct a scientific analysis of the requirements for regulation capacity, in response to the rapid development of new energy and the corresponding surge in system regulation demands in certain regions. With operational safety as our priority, to strategically deploy a series of shared energy storage stations while refining the mechanisms for utilization and market-oriented operation. To enhance system-wide power supply reliability and new energy integration capabilities.

October 2024	Six departments including National Development and Reform Commission	The Guiding Opinions on Vigorously Promoting Renewable Energy Substitution Initiatives	To promote the development of integrated multifunctional stations featuring solar power generation, energy storage, and charging/discharging capabilities at highway rest areas, railway stations, bus terminals, airports, and ports where conditions permit. To accelerate the development of electric passenger vehicles, to methodically advance the electrification of public buses, and to explore and pioneer the adoption of new energy medium and heavy-duty trucks.
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(II) Polarizer Industry Overview

In 2024, driven by multiple factors - including the hosting of major international sporting events, the Chinese government's "trade-in" subsidy policy, and the continued trend toward larger television panel sizes - the global shipment area of television panels achieved year-on-year growth. At the same time, the replacement cycle for IT devices began, coupled with new demand arising from AI PCs, the development of diversified application scenarios, and continued stimulus from China's "trade-in" subsidy policy, all of which collectively contributed to a significant increase in demand for IT panels. According to data from Wind, in 2024, the global shipment area of large-sized LCD panels (including LCD panels for televisions, monitors, notebook computers, and large-sized tablets) grew by 7% year-on-year. In addition, demand for smartphone panels and in-vehicle display panels also increased concurrently. Stimulated by the recovery in downstream display panel demand, the market demand for polarizers increased in tandem. According to a survey by Yano Research Institute, the global polarizer market, measured by manufacturer production volume, is projected to reach 594.3 million square meters in 2024, representing a year-on-year growth of approximately 5.3%.

In 2024, the global competitive landscape of the polarizer market continued to reshape. Japanese and Korean manufacturers gradually reduced production capacity or exited the market, while Chinese manufacturers actively expanded their market share through mergers and acquisitions, as well as capacity expansion. As industry concentration increases and the domestic substitution process deepens, market competition in the polarizer industry has intensified, leading to a periodical adjustment in product prices. According to data from Sigmaintell, in 2024, China (including the Taiwan region) accounted for more than 70% of the global polarizer production capacity by area. It is projected that upon completion of capacity consolidation by 2027, this share will approach 90%. While industry concentration continues to rise, it has also intensified competition in the domestic market. As competition deepens, the prices of polarizer products are under greater pressure, posing new challenges for the development of polarizer manufacturers.

Table: Newly released major laws, administrative regulations, departmental rules, and industry policies

Publication time	Published by	Policy	Content
March 2024	State Council	<i>Action Plan to Promote Large-scale Equipment Renewals and Trade-ins of Consumer Goods</i>	Launch of trade-in programs for home appliances. Support is provided for home appliance retailers, in collaboration with manufacturers and recycling enterprises, to carry out promotional activities for trade-ins. Dedicated online and offline trade-in sections for home appliances shall be established. Consumers exchanging old home appliances for energy-efficient ones shall receive discounts. Local

			governments with sufficient resources are encouraged to provide subsidies to consumers for purchasing green and smart home appliances.
July 2024	National Development and Reform Commission, Ministry of Finance	Notice on <i>Several Measures for Further Supporting Large-Scale Equipment Renewals and Trade-ins of Consumer Goods</i>	Support is provided for the trade-in of household appliances. Individual consumers who purchase any of the eight categories of household appliances - such as televisions and computers - that meet Level 2 or higher energy efficiency or water efficiency standards shall be eligible for trade-in subsidies. The subsidy amount is 15% of the product's sales price. For products that meet Level 1 or higher energy efficiency or water efficiency standards, an additional subsidy of 5% of the product's sales price shall be granted. Each consumer may receive a subsidy for one unit in each product category, with the subsidy amount for each unit not exceeding RMB2,000.
January 2025	National Development and Reform Commission, Ministry of Finance	Notice on <i>Expanding the Implementation of the Policy on Large-Scale Equipment Renewals and Trade-Ins of Consumer Goods in 2025</i>	Continued support for trade-in of eight categories of home appliances such as televisions and computers. Individual consumers purchasing three categories of digital products - mobile phones, tablets, and smartwatches/smartbands - each priced at no more than RMB6,000 per unit, shall receive a subsidy equivalent to 15% of the product's sales price. Each consumer may receive a subsidy for one unit of each product category, with a maximum subsidy of RMB500 per unit.

III. Business Status during the Reporting Period

The Company has established a strategic framework centered on the synergistic development of its dual core businesses: anode materials for lithium-ion batteries and polarizers. As a pioneer in the field of artificial graphite anode materials for lithium-ion batteries in China, the Company has been deeply engaged in the industry for over two decades, during which it has built a globally leading R&D and manufacturing system, firmly maintaining its position as a market leader in the artificial graphite anode material sector. In 2021, through the strategic acquisition of LG Chem's LCD polarizer business, the Company became a global leader in the polarizer industry, thereby forming a new pattern of dual-core business development. In the face of the global wave of electrification and intelligentization, the Company has continued to deepen its technological barriers and strengthen its core competitiveness to achieve steady and sustainable development.

(I) Anode Material Business

1. Business profile

The Company's anode materials business covers the R&D, production and sales of anode materials for lithium-ion batteries. The main products of the Company include artificial graphite, natural graphite, and silicon-based anode. All the above products can be primarily applied in NEVs, consumer electronics and energy storage industries, etc.

The main products and applications of the Company's anode materials business are detailed below:

Classification	Product	Application
Anode material	Artificial graphite	Mainly used in the 3C digitals with high-energy density and high-power density, power batteries for EVs and energy storage
	Natural graphite	Mainly used in the 3C digitals with high-energy density and high-power density and power batteries for EVs, including cylinder battery and blending
	Silicon-based anode materials	Mainly used in the 3C digitals with high-energy density, electric tools, and power batteries for EVs

2. Operating model

(1) Procurement

The Company adopts a management model combining centralized and decentralized procurement.

For raw and auxiliary materials, production equipment, testing equipment, logistics and transportation, general consumables and others required for production, the supply chain center integrates the demand of each factory, collaborates with R&D, technology, quality and others to select superior suppliers, and the headquarters of anode material sector centralizes pricing through bidding, competitive negotiation, price comparison and cost analysis, and signs framework agreements. The factory places purchase orders or purchase and sales contracts as required and follows up delivery, acceptance, account checking, payment and other affairs.

For local demands such as preparation for parts and small works, the procurement department of each factory, following the commercial management requirements of multiple inquiries and cost analysis, develops suppliers nearby, organizes commercial negotiations, initiates inquiries and pricing applications, places purchase orders based on pricing results, and follows up the deliveries to efficiently respond to factory needs.

For key materials or equipment, the supply chain center of the anode material sector, based on the supply structure and market research, makes the best choice, to promote the construction of strategic partnership with suppliers and achieve guaranteed supply, win-win cooperation and long-term development.

(2) Production

In accordance with the production principle of “production based on sales,” the Company formulates monthly plans in an integrated manner based on the sales schedule. It also manages inventory by referencing rolling market forecasts and reserves of general-purpose products, thereby shortening delivery cycles, improving order fulfillment rates, and enhancing customer satisfaction. Various departments work in close coordination to adopt a more flexible production model in order to meet market demand.

The Company’s products are primarily produced through integrated production, outsourced processing, a combination of partial integration, customized production, technical cooperation and joint R&D, as well as multi-process collaborative manufacturing. By employing integrated and automated production models, the Company reduces production costs and enhances production efficiency.

(3) Sales

The Company, under the mechanism coordinated with the department of sales, R&D, quality, technical support and others, establishes the task groups in light of clients' demand for products, and forms a sales model dominated by sales, guaranteed by R&D and quality and propped up by technical supports, to provide clients with cost-effective products and services. The Company remains closely aligned with customer needs, promptly capturing customer feedback on product quality and changes in product demand, enabling it to respond quickly to customer inputs and provide more effective sales and technical services. In doing so, the Company establishes close and efficient cooperative relationships with its customers.

3. Market status of products

Data from ICC showed that the Company ranked first in the artificial anode material segment in 2024, maintaining its leading position. The Company's product technologies have consistently remained at the forefront of the industry. In particular, its fast-charging products, underpinned by a forward-looking strategic layout, have established robust technological barriers, maintained a leading share in downstream applications, and achieved generational advantages in product performance. The Company's new silicon-carbon products have continued to make technological breakthroughs, consistently gaining recognition from both domestic and international customers, and have now achieved mass supply.

4. Competitive edge and weakness

For details, please refer to the Section IV "Analysis on Core Competitiveness During the Reporting Period" in this Chapter.

5. Key performance drivers

(1) Global lithium-ion battery industry maintained rapid growth in 2024

According to data from EVTank, global shipments of lithium-ion batteries in 2024 reached 1,545.1 GWh, representing a year-on-year increase of 28.5%. Among these, global shipments of automotive power batteries amounted to 1,051.2 GWh, up 21.5% year-on-year; global shipments of energy storage batteries were 369.8 GWh, up 64.9% year-on-year; and global shipments of small-sized batteries totaled 124.1 GWh, up 9.6% year-on-year.

Driven by the continued increase in NEVs penetration and strong growth in energy storage demand, the demand for anode materials continued to grow significantly, and the supply-demand structure became more balanced. According to data from ICC, global production of anode materials in 2024 reached 2.1673 million tons, a year-on-year increase of 23%, with China's share rising to 98.5%.

(2) Continued consolidation of product technological advantages and deepening of customer relationships

The Company focuses on the clients' needs to provide first-rate cost-effective anode products for global clients. Backed up by the core edge established in raw material development, product technologies, process control and client cooperation, the Company is strengthening competitiveness. During the Reporting Period, the Company's fast charging anode products maintained a leading share in downstream applications with excellent performance. The Company's cooperation with global leading battery

companies has been further deepened, and sales to major customers have increased significantly year on year.






(3) Significant progress in cost reduction through technological advancement



The Company has consistently implemented cost-reduction initiatives, including reducing raw material costs, improving production processes to lower energy consumption, and enhancing intelligent manufacturing to boost production efficiency. The Company has continued to upgrade its crucible furnace process and innovated in the development of box furnace technology, resulting in further reductions in graphitization processing costs. These efforts have effectively driven improvements in production efficiency and reductions in overall costs.

(II) Polarizer Business

1. Business profile

The Company’s polarizer business covers the R&D, production and sales of LCD and OLED polarizers. A polarizer, a composite film consisting of multi-layer films, allows the passage of specifically polarized light waves while blocking other polarized light waves. As the core element of display technology, polarizers enable images to be displayed and seen on the screen. They are widely used in end-products such as such as TVs, monitors, laptops, tablets, mobile phones, commercial displays, and automotive displays. The purposes of products are as follows:

Product	Purpose	End product	Image
Polarizer	Polarizer is the core optical film material for display panels, which controls the polarization direction of a specific light beam and is used to transform natural light into linearly polarized light or circularly polarized light, so that the screen can display images and the picture clarity can be improved.	TV	
		Monitor	
		Laptop	
		Tablet	
		Mobile phone	

Product	Purpose	End product	Image
		Commercial display	
		Automotive display	

2. Operating model

(1) Procurement

The Company adopts the production-based procurement model, that is, arranging the procurement of raw materials according to the production plan formulated by the production department and the inventory status and making timely stocking according to the supply and demand of raw materials and price fluctuations. The products purchased mainly include PVA film, TAC film, PET film, protective film, release film, PSA and other raw materials.

The Company selects suppliers independently according to market principles. It first signs framework agreements with suppliers, and purchases specific raw materials by placing purchase orders to suppliers.

(2) Production

The Company mainly adopts the sales-based production to produce products according to the demand of clients. The Company will form a sales forecast analysis after receiving the demand and decide the production plan based on the capacity and the consideration of long-term cooperation with clients, material supply, production cycle, etc. In addition, the Company will prepare some stocks based on the past product sales and specific needs of clients.

The Company's production process includes two parts: front-end work and back-end work. The Company mainly produces by itself with some outsourcing works. The Company adopts the independent production for the front-end work as it is the core part in polarizer production, and outsources some non-core processes of back-end work for external specialized companies, thus improving production efficiency. In this process, the Company will propose processing plans to the assigned processors according to the orders from clients, and provide polarizer coils to them based on the forecast of the outsourcing quantity. The assigned processors will work according to the processing plans and deliver directly to clients according to the Company's instructions.

(3) Sales

The Company mainly adopts the direct sales model. Its clients include BOE, China Star Optoelectronics Technology Co., Ltd. (CSOT), LG Display, HKC, Sharp, Xianyang CaiHong Optoelectronics, TIANMA, Qunchuang and other mainstream panel manufacturers. Downstream major panel manufacturers have rigorous requirements for their suppliers, and will strictly review the suppliers'

strength and qualifications (such as quality, R&D, production, management, etc.) before cooperation. The companies that obtain their supplier certifications must first undergo repeated inspections, improvements and acceptances. The cooperative relationships established through such restrict process will not change easily. Therefore, the Company stably cooperates with clients.

The Company's back-end production lines include industry-leading RTS (coil-to-sheet) and RTP (coil-to-panel) production lines, and most of its factories are located near clients' factories, so that it can timely respond to clients and meet their needs such as quick pattern changes.

3. Market status of products

According to the data of CINNO Research, the Company's shipment area share of large-size LCD polarizers (including polarizers used in LCD TVs/monitors/notebooks) was approximately 33%, remaining the world's No. 1. In terms of the application fields, the market share of LCD TV polarizer business and LCD display polarizer business of the Company both ranked first in the world.

4. Competitive edge and weakness

For details, please refer to the Section IV “Analysis on Core Competitiveness During the Reporting Period” in this Chapter.

5. Key performance drivers

(1) The Company continued to strengthen technological barriers for high-end products and steadily increased its market share in the high-end segment

Relying on over 20 years of technological R&D experience in the polarizer field, the Company leads the market through differentiated technologies of polarizers such as super-size, ultra-thin, high contrast and wide viewing angle. During the Reporting Period, the Company continued to consolidate its leading position in high-end LCD polarizer products and accelerated the industrialization of OLED polarizers. OLED TV polarizers achieved stable shipments during the Period, with a significant increase in market share. The Company has successfully completed the delivery of the SP business, which will significantly enhance its competitiveness in the high-end polarizer market and lay a solid foundation for long-term and steady development.

(2) The Company continued to promote product mix optimization and cost control, mitigating short-term profit pressure from product price declines

In 2024, driven by multiple factors such as international sports events, the domestic "trade-in" subsidy policy in the second half of the year, the demand for IT equipment upgrades, new demand from AI PCs, and the continued trend of larger TV panels, downstream panel demand showed signs of recovery, which in turn led to a year-on-year increase in demand for polarizers in the upstream market. However, as domestic manufacturers actively expand their market share, industry competition has intensified. As competition deepens, polarizer product prices are under further pressure, posing new challenges for the development of polarizer manufacturers. In response to the profit pressure caused by falling product prices,

the Company promoted cost reduction through product mix optimization, continuous process innovation, and upgrades in intelligent manufacturing, thereby effectively mitigating the short-term profit pressure resulting from the price decline.

IV. Analysis on Core Competitiveness During the Reporting Period

Applicable Not applicable

(I) Analysis of Core Competitiveness of Anode Materials

The Company has been industrializing anode materials since 1999, and has been a pioneer and technology leader in the lithium battery anode materials industry with more than 20 years of practice in R&D and industrialized production in this field. Ningbo Shanshan New Material Technology Co., Ltd., the Company's anode material subsidiary, was picked to the lists of the "National Enterprise Technology Center" and "National Manufacturing Single Champion". Shanghai Shanshan Technology Co., Ltd. was listed in the third batch of state-level specialized and innovative "small giant" enterprises.

The Company takes clients' demand as the core, leads the industry development through technological innovation, and has built long-term core competitiveness in product technology, capacity size, clients and presence of industrial chain.

1. Deep technology accumulation and cutting-edge R&D and innovation advantages

The Company is the first enterprise engaged in the research and development and production of artificial graphite anode materials for lithium-ion batteries in China, boasting independent core intellectual property rights such as material granulation, surface modification, spheroidization, and heat treatment technologies. Through years of high-quality R&D investment and the cultivation of independent R&D capabilities, the Company has established a comprehensive R&D and innovation system, including a robust mass production incubation technology team, complete pilot lines for anode materials, rapid scale-up technologies for new raw materials, innovative technologies for by-product development of raw materials, and advanced box furnace technology for graphitization. The Company is building a more complete system for R&D innovation and mass production incubation, positioning itself as a leading anode supplier, integrating upstream and downstream segments of the value chain, and establishing a more complete and collaborative development ecosystem.

The Company places great emphasis on independent R&D and technological innovation. At present, it has formed a high-level R&D team led by industry-leading technical experts. The Company's research institute comprises departments focused on artificial graphite, natural graphite, silicon-based new materials, soft and hard carbon, and fundamental mechanism research platforms. It also operates three postdoctoral research stations and actively promotes in-depth integration of industry, academia, and research. The performance of newly developed products has consistently remained at an internationally advanced level.

In the anode materials business, the Company has independently developed technologies and established patent portfolios in areas such as ultra-fast charging technology, in-house synthesis of silicon-carbon anode precursors, graphitization technology, and raw material development and performance evaluation. These technologies have been gradually put into mass production.

- High-capacity fast-charging anode materials

The Company has broken through the technical bottleneck of high energy density fast charging, achieving constant iteration and upgrading of fast-charging products. Its consumer fast-charging products have maintained a leading market share. Ultra-fast charging anode materials (6C+) for digital applications have been supplied to leading customers in the digital battery industry. In the power battery segment, high energy density 6C ultra-fast charging anode materials have been supplied to top domestic clients. In addition, silicon-composited graphite for 3C fast charging has also achieved mass production. The Company's technological leadership in fast-charging products has continued to expand, establishing generational leadership in its fast-charging product portfolio.

- Silicon-based anode materials

The Company maintains a leading position in the technology and industrialization of silicon-based anode products. Silicon oxide (SiOx) products have been supplied in bulk to leading overseas customers and successfully installed in vehicles. Moreover, the Company has successfully overcome the low-temperature cycling technology bottleneck of second-generation SiOx materials. Relevant technologies have been granted patents in the United States and Japan and have been supplied in bulk to top overseas power tool manufacturers. The Company's independently developed homogeneous deposition technology has significantly improved the cycling stability and rate performance of silicon-carbon materials. High-compactness, long-cycle-life silicon-carbon anode products have entered mass production. Part of the production capacity at the newly planned Ningbo silicon-based anode production base has already commenced trial production.

- Graphitization technology

In terms of graphitization technology, the Company commits to the improvement and innovation of graphitization process. It has continuously enhanced the crucible furnace process and independently developed a new box furnace process, which increases the effective loading capacity of anode materials in the furnace, thereby improving production efficiency and reducing costs. Furthermore, the Company is continuing its innovation in new graphitization technologies, with its continuous graphitization process currently in the stage of technical cooperation and validation.

- Raw material development and performance evaluation technology

In terms of raw material development, the Company's basic research team for anode raw materials is led by senior experts in the coal chemical industry, and a special raw material development team is jointly established with upstream suppliers to work together to develop functional raw materials, functional granulating agents and coating agents required for the performance of anode materials, and tailor-made raw materials for anode products with different characteristics. The Company's unique raw material

allocation technology ensures the stability and adaptability of raw materials from the source.

As of 31 December 2024, the Company had obtained 334 authorized patents for its anode materials, including 8 international patents, 225 domestic invention patents, and 101 utility model patents.

2. Superior client mix and continuous improvement in clients' recognition

Thanks to the long-term accumulation in lithium battery material field and the high-quality products and technical services, the Company has established long-term stable partnership with global mainstream lithium battery manufacturers, including CATL, Ultium cells, BYD, LGES, ATL, and etc. It continues to optimize its customer portfolio while deepening strategic collaborations with key industry players.

3. Integrating production capacity to enhance cost competitiveness

With over two decades of deep industry presence in anode materials, the Company has solidified its position as an industry leader, consistently maintaining a leading market share in artificial graphite products. At present, the Company has achieved a leading production capacity scale and enjoys a relatively well-developed capacity layout. The Company has completed the medium-term strategic deployment of graphite anode materials capacity, including three integrated bases in Inner Mongolia, Sichuan and Yunnan. Phase I of Inner Mongolia and Sichuan bases have been put into production, and phase I of Yunnan base is currently ramping up production capacity. In addition, to meet overseas market demand and enhance overseas market share, the Company plans to build an anode material production capacity of 100,000 tons in Finland. Going forward, it will promote capacity construction and release in alignment with market demand.

To better align with the ongoing upgrade trends in downstream customer demand and to seize the market opportunity arising from the rapid growth in demand for silicon-based anodes, the Company has proactively established a silicon-based anode production base in Ningbo. Part of phase I capacity has already commenced trial production.

4. Deepening the cooperation with upstream partners to build a resilient supply chain

As for the upstream industry chain, the Company established a special raw material development team with upstream suppliers to work together to develop functional raw materials, functional granulating agents and coating agents required for the performance of anode materials, and tailor-made raw materials for anode products with different characteristics. To further guarantee the quality and supply, the Company has established a strategic cooperative relationship with domestic leading raw material suppliers, such as Petrochina, Sinopec, CNOOC and local refineries, and the two sides have carried out all-round cooperation in the fields of needle coke, petroleum coke, and calcined coke to ensure the stability and safety of the Company's raw material supply. In addition, we have built a professional team to analyze the market situation, so as to ensure the supply while leveraging the price advantage of bulk purchasing. In order to meet the needs of overseas customers, we have extensively developed overseas raw materials, verified them in large quantities, and established resource pools to ensure the safety of overseas raw materials supply.

(II) Analysis of Core Competitiveness of Polarizer

1. Deep technology accumulation and cutting-edge R&D and innovation advantages

As a leading enterprise in the polarizer field, the Company has leading technology advantages. Relying on over 20 years of technological R&D in the polarizer field, the Company leads the market through differentiated technologies of polarizers such as super-size, ultra-thin, high contrast and wide viewing angle. The Company has mastered a number of key polarizer process technologies and is continuously expanding its innovative polarizer technologies for high-end display applications. The Company has passed the certification of national high-tech enterprises, and has won a number of honorary titles such as national green factory, national intelligent manufacturing excellent scene, provincial intelligent manufacturing demonstration factory, and Nanjing Top 100 Enterprises.

The Company has industry-leading manufacturing processes and continues to break through manufacturing capabilities in terms of product quality, safety and security, and production efficiency in order to improve production efficiency and product quality. The Company has customized polarizer production equipment that enables precise control of parameters in production through carefully modulated parameters to achieve higher first pass yield of product, as well as relatively comprehensive defect detection methods and automatic inspection technologies to ensure high product yield. The Company continues to improve key processes such as film lamination and film stretching to guarantee and improve product quality, while it has successfully applied UV curing technology to polarizer manufacturing, thus optimizing the production process.

In terms of new display technologies and applications, the Company's OLED TV polarizers have achieved stable mass shipments, with a significant increase in market share. Polarizers for OLED mobile phones and OLED monitors have entered mass production and shipment, and customer certification is being continuously advanced. The Company has successfully completed the delivery of the SP business, and polarizers for automotive displays are currently being shipped on a stable basis.

As of 31 December 2024, the Company has applied for more than 1,000 LCD polarizer related patents in South Korea, China, Japan, the United States and other countries around the world, among which 1,243 patents have been authorized (including 977 overseas patents), covering 1,152 invention patents, 87 utility model patents, and 4 appearance patents.

2. Leading capacity scale, advantages of ultra-width production lines and RTP production lines

The Company has a leading scale advantage in polarizer production capacity. By continuously strengthening its investment in production capacity in the field of LCD and OLED polarizers, the Company is able to further leverage its scale advantage to meet market and customer demand. At present, the Company has established ten world-class polarizer production lines in Nanjing, Guangzhou, and Zhangjiagang, with a globally leading production capacity scale. The Company offers a wide variety of polarizer products that cover multiple technologies, applications, and sizes for both LCD and OLED

displays, thereby enabling a broader range of display application scenarios and driving new upgrades and breakthroughs in the polarizer industry.

The Company leads the world in ultra-width production line capacity and was the first in the industry to adopt ultra-width production lines. It is currently the global market leader in the ultra-width segment, operating six ultra-width front-end production lines. Among them, the 2,600 mm ultra-width line is capable of producing polarizers for displays over 115 inches in size.

In addition, the Company has industry-leading RTP production lines in many cities across the country. The RTP production line is generally set in the customer's factory area, and it can achieve polarizer to coil integrated laser cutting, automatic inspection and polarizer and glass substrate attachment. With the advantages of close to customers and convenient supply, the RTP production line can reasonably control transportation and packaging costs, improve production efficiency and increase product yield while meeting the unique demands of customers' production lines.

3. Long-term and stable customer relationship

The Company's downstream customers generally have a more stringent supplier certification system, and will generally maintain a more long-term and stable relationship with companies that pass their supplier certification. The Company has established long-term good cooperative relationships and smooth communication with the world's leading panel manufacturers, namely BOE, China Star Optoelectronics Technology Co., Ltd. (CSOT), LG Display, Sharp, Xianyang CaiHong Optoelectronics, HKC, TIANMA, Qunchuang, etc., which allows us to respond to customer needs quickly and efficiently and cooperate with the development of new products. By virtue of leading technology and excellent product quality, the Company's products and services have been highly evaluated and recognized by customers, and the supply relationship between both parties is very stable.

4. Establishing deep and stable partnerships with upstream segments of the industry chain

In terms of the upstream supply chain, the Company maintains long-term and stable supply relationships with upstream raw material suppliers, with highly stable cooperation. At the same time, the Company will continue to promote and expand the diversification, localization, and domestic substitution of raw materials. On one hand, the Company will continue to strengthen its strategic cooperation with leading global raw material suppliers to ensure the stability and security of the supply chain; on the other hand, it will actively implement a localization strategy, accelerate the introduction and application of locally sourced materials, enhance the supply chain's autonomy and controllability, and ensure the security, stability, and cost competitiveness of upstream raw material supply.

V. Operation Situation of the Principal Business during the Reporting Period

For details, please refer to the "I. Operation Discussion and Analysis" in this section.

(I) Analysis of Principal Businesses

1. Analysis on changes in income statement and cash flow statement

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Change ratio (%)
Operating revenue	18,679,729,021.40	19,070,225,164.95	-2.05
Operating costs	15,998,865,492.53	15,993,741,361.53	0.03
Selling expenses	244,079,808.05	228,007,876.70	7.05
Administrative expenses	663,823,128.02	667,987,389.88	-0.62
Research and development expenses	1,036,996,234.72	868,297,281.53	19.43
Financial expenses	520,804,553.77	466,934,452.30	11.54
Net cash flows from operating activities	1,860,217,174.57	-198,131,598.40	N/A
Net cash flows from investing activities	-1,864,735,121.07	-4,487,403,534.50	N/A
Net cash flow from financing activities	-2,174,015,031.83	4,801,858,298.19	-145.27
Effect of foreign exchange rate changes on cash and cash equivalents	-14,860,461.49	-2,959,448.78	N/A
Credit impairment loss	-74,376,805.92	-54,638,094.46	N/A
Investment income	-559,093,421.00	281,556,607.99	-298.57
Gain on disposal of assets	396,365,363.16	-29,243,200.41	N/A
Other income	276,941,688.38	502,191,965.25	-44.85
Income tax expenses	45,437,902.58	223,686,158.65	-79.69
Net profit attributable to owners of parent company	-367,136,028.73	765,337,842.07	-147.97
Profits and losses attributable to minority interests	47,410,936.79	-517,645.31	N/A
Other comprehensive income attributable to owners of the parent company, net of tax	270,000,641.32	52,446,804.40	414.81

Reasons for over 30% changes yoy:

Reasons for the change in net cash flows from operating activities: It was mainly due to enhanced supply chain management, stricter control over payment terms, and strengthened efforts in accounts receivable collection, which together led to improved operating cash flow.

Reasons for the change in net cash flows from investing activities: It was mainly due to a decrease in cash payments for the acquisition and construction of fixed assets, and construction in progress for the anode materials and polarizer businesses during the Reporting Period as compared to the previous year.

Reasons for the change in net cash flow from financing activities: It was mainly due to the decrease in net bank loans obtained by the Company during the Reporting Period as compared to the previous year.

Reasons for the change in the effect of foreign exchange rate changes on cash and cash equivalents: It was mainly due to the change in foreign exchange rates.

Reasons for the change in credit impairment losses: It was mainly due to the Company recognizing bad debt losses on the remaining equity transfer payment from Quzhou Shanshan according to certain proportion during the Reporting Period.

Reasons for the change in investment income: It was mainly due to increased losses from long-term equity investments accounted for using the equity method during the Reporting Period. Additionally, in the same period last year, the Company recognized investment income from the disposal of equity interests in Quzhou Shanshan.

Reasons for the change in gains on disposal of assets: It was mainly due to gains recognized from the disposal of real estate and related facilities at the Wangchun Garden during the Reporting Period.

Reasons for the change in other income: It was mainly due to a year-on-year decrease in government subsidies received by the anode materials business during the Reporting Period.

Reasons for the change in income tax expenses: It was mainly due to the decline in the Company's total profit during the Reporting Period.

Reasons for the change in net profit attributable to owners of parent company: It was mainly due to steady sales growth in both the anode materials and polarizer businesses of the Company during the Reporting Period. Net profit attributable to shareholders of the listed company from the anode business increased year-on-year, while that from the polarizer business declined due to intensified market competition and changes in the industry environment. During the Reporting Period, based on the principle of prudence, the Company recognized risk provisions for its long-term equity investment in BASF Shanshan, goodwill generated from the acquisition of the polarizer business, and other receivables arising from the disposal of the electrolyte business. Furthermore, equity-method investees like BASF Shanshan and Suining Holdings, in which the Company holds long-term equity investments, incurred substantial losses during the Reporting Period, collectively leading to a year-on-year decrease in net profit attributable to shareholders of the listed company.

Reasons for the change in profits and losses attributable to minority interests: It was mainly due to improved performance in the anode materials business, resulting in increased net profit attributable to minority interests in that segment.

Reasons for the change in other comprehensive income attributable to owners of parent company, net of tax: It was mainly due to the disposal of a portion of the Company's shares in Luoyang Molybdenum and the fair value changes in the remaining financial assets during the Reporting Period.

Detailed description of the significant change in the business type, profit composition or profit source of the Company

Applicable Not applicable

2. Income and cost analysis

Applicable Not applicable

(1). Profile of principal businesses by industry, product, region and sales model

Unit: Yuan Currency: RMB

Principal business by industry						
Industry	Operating revenue	Operating costs	Gross margin (%)	Increase/Decrease in operating revenue as compared with last year (%)	Increase/Decrease in operating cost as compared with last year (%)	Increase/Decrease in gross margin as compared with last year (%)
Anode materials	8,196,452,342.46	6,684,614,976.28	18.45	12.80	4.27	Increase by 6.68 percentage points
Polarizer	10,322,147,988.67	9,284,153,887.13	10.06	0.25	11.82	Decrease by 9.30 percentage points
Principal business by product						
Product	Operating revenue	Operating costs	Gross margin (%)	Increase/Decrease in operating revenue as compared with last year (%)	Increase/Decrease in operating cost as compared with last year (%)	Increase/Decrease in gross margin as compared with last year (%)
Anode materials	8,196,452,342.46	6,684,614,976.28	18.45	12.80	4.27	Increase by 6.68

ls						percentage points
Polarizer	10,322,147,988.67	9,284,153,887.13	10.06	0.25	11.82	Decrease by 9.30 percentage points
Principal business by region						
Region	Operating revenue	Operating costs	Gross margin (%)	Increase/Decrease in operating revenue as compared with last year (%)	Increase/Decrease in operating cost as compared with last year (%)	Increase/Decrease in gross margin as compared with last year (%)
Mainland China	16,815,061,367.61	14,454,471,381.01	14.04	4.66	7.45	Decrease by 2.23 percentage points
Taiwan China	132,162,499.01	118,270,388.89	10.51	72.57	74.31	Decrease by 0.90 percentage points
Overseas	1,571,376,464.51	1,396,027,093.51	11.16	10.57	16.89	Decrease by 4.80 percentage point
Profile of principal businesses by sales model						
Sales model	Operating revenue	Operating costs	Gross margin (%)	Increase/Decrease in operating revenue as compared with last year (%)	Increase/Decrease in operating cost as compared with last year (%)	Increase/Decrease in gross margin as compared with last year (%)
Direct sales	18,518,600,331.13	15,968,768,863.41	13.77	5.44	8.53	Decrease by 2.45 percentage points

(2). Analysis of production and sales volume

√Applicable □Not applicable

Major products	Unit	Output	Sales	Inventories	Increase/decrease in production over the previous year (%)	Increase/decrease in sales volume over the previous year (%)	Increase/decrease in inventory over the previous year (%)
Anode material	Tons	354,605.01	339,536.09	50,041.03	27.09	28.44	43.09
Polarizer	0,000	15,139.69	15,043.21	1,146.24	7.52	7.63	9.19

	squares						
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Description of production and sales volume

The reasons for the increase in anode material inventory are as follows: expansion of production and sales scale, leading to increased stockpiling.

(3). Performance of major purchase contracts and major sales contracts

Applicable Not applicable

(4). Cost analysis

Unit: RMB0'000

By industry							
Industry	Cost item	Amount incurred in the current period	Percentage of total cost for the current period (%)	Amount in the same period last year	Percentage of total cost for the same period last year (%)	Percentage change in the amount for the current period as compared to the same period last year (%)	Description
Anode material	Raw material cost	285,821.65	42.76	297,335.08	46.38	-3.87	
	Labor cost	57,759.34	8.64	53,510.58	8.35	7.94	
	Manufacturing cost	324,880.51	48.60	290,270.63	45.28	11.92	
Polarizer	Raw material cost	716,080.78	77.13	639,198.97	76.98	12.03	
	Labor cost	26,681.05	2.87	26,376.09	3.18	1.16	
	Manufacturing cost	185,653.55	20.00	164,722.48	19.84	12.71	
By product							
Product	Cost item	Amount incurred in the current period	Percentage of total cost for the current period (%)	Amount in the same period last year	Percentage of total cost for the same period last year (%)	Percentage change in the amount for the current period as compared to the same period last year (%)	Description
Anode material	Raw material cost	285,821.65	42.76	297,335.08	46.38	-3.87	
	Labor cost	57,759.34	8.64	53,510.58	8.35	7.94	
	Manufacturing cost	324,880.51	48.60	290,270.63	45.28	11.92	

Polarizer	Raw material cost	716,080.78	77.13	639,198.97	76.98	12.03	
	Labor cost	26,681.05	2.87	26,376.09	3.18	1.16	
	Manufacturing cost	185,653.55	20.00	164,722.48	19.84	12.71	

(5). Equity change of major subsidiaries during the Reporting Period caused the change of the consolidation scope

Applicable Not applicable

(6). Significant change or adjustment of the business, product or service of the Company during the Reporting Period

Applicable Not applicable

(7). Major customers and major suppliers

A. Major customers

Applicable Not applicable

The sales to the top five customers reached RMB11,942.2353 million, accounting for 63.93% of the annual operating revenue, among which, the sales to the related parties was RMB0, accounting for 0% of the total sales for the year.

Any single customer the sales to which accounted for more than 50% of the total sales, any new customer in the top 5 customers, and any heavy reliance on a few customers during the Reporting Period

Applicable Not applicable

B. Major suppliers

Applicable Not applicable

Procurement from the top five suppliers amounted to RMB4,428.738 million, accounting for 25.99% of the total procurement for the year; among which, procurement from related parties was RMB0, accounting for 0% of the total procurement for the year.

Any single supplier the procurement from which accounted for more than 50% of the total procurement, any new supplier in the top 5 suppliers, and any heavy reliance on a few suppliers during the Reporting Period

Applicable Not applicable

3. Expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Expense items	2024	2023	Change (%)	Reasons for significant year-on-year changes
Selling expenses	244,079,808.05	228,007,876.70	7.05	
Administrative expenses	663,823,128.02	667,987,389.88	-0.62	
Financial expenses	520,804,553.77	466,934,452.30	11.54	
Research and development expenses	1,036,996,234.72	868,297,281.53	19.43	

Income tax expenses	45,437,902.58	223,686,158.65	-79.69	Mainly due to the decline in the Company's total profit during the Reporting Period, resulting in a decrease in income tax expenses.
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4. Research and development investment

(1). Research and development investment statement

Applicable Not applicable

Unit: Yuan

Expensed research and development investment for the current period	1,036,996,234.72
Capitalized research and development investment for the current period	
Total research and development investment	1,036,996,234.72
Percentage of total research and development investment over operating revenue (%)	5.55
Ratio of capitalized research and development investment (%)	

(2). R&D team member profile

Applicable Not applicable

Number of R&D team members in the Company	428
Percentage of the number of R&D team members over the total number of employees of the Company (%)	5.96
Educational background structure of R&D team members	
Type of educational level	Number of members in each educational level
Doctor	11
Master	105
Bachelor	174
College	104
High school and below	34
Age structure of R&D team members	
Type of age group	Number of members in each age group
Below 30 (excluding 30)	181
30-40 (including 30, excluding 40)	188
40-50 (including 40, excluding 50)	53
50-60 (including 50, excluding 60)	6
60 and above	0

(3). Explanation

Applicable Not applicable

Anode material

No.	Name of item	R&D purpose and progress
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1	3C silicon-compatible graphite	Development of a dedicated graphite for second-generation silicon-doped systems used in digital products; trial production completed and mass production initiated.
2	High energy density and fast-charging graphite for power batteries (model 356)	High-performance graphite featuring both high energy density and fast-charging capability for high-end power battery projects; transitioned to mass production.
3	6C ultra-fast charging graphite for power batteries	Artificial graphite with 6C ultra-fast charging performance for high-end power battery projects; trial production completed and mass production initiated.
4	Second-generation long-life graphite	Second-generation long-life artificial graphite for high-end power battery projects; trial production completed and mass production initiated.
5	Low-impedance, high-rate natural graphite for power batteries	Performance upgrade for high-power applications using traditional small-particle natural graphite, targeting improved rate capability and cycle life; process finalized and currently under customer testing.
6	High-density new silicon-carbon anode for consumer electronics	High-density, long-cycle silicon-carbon anode; transitioning to mass production.
7	Ultra-high-density long-cycle silicon-carbon anode for consumer electronics	Ultra-high-density silicon-carbon with enhanced safety; under research and development.
8	High-rate silicon-carbon material for power batteries	High-rate, fast-charging type silicon-carbon; under research and development.
9	High-capacity, high-density, high initial coulombic efficiency hard carbon for lithium batteries	Applicable to consumer electronics, power batteries, and solid-state batteries; under customer trial production.
10	High-Rate, high-density, long-cycle hard carbon for sodium-ion batteries	Applicable to energy storage and small-power systems; under customer trial production.
11	High-rate, long-cycle hard carbon for supercapacitors	High safety and long cycle life; applicable to energy storage scenarios; under customer trial production.

Polarizer Business

No.	Name of item	R&D purpose and progress
1	Development of ultra-high transmittance polarizer for LCD TV	Enhance the transmittance of polarizer material to improve picture contrast and reduce power consumption of displays; currently in mass production.
2	High-transmittance polarizers for LCD tablets	Enhance the transmittance of polarizer material to improve picture contrast and reduce power consumption of displays; currently in mass production.
3	Development of high-reliability polarizers for outdoor use	Primarily for outdoor application scenarios; currently in mass production.
4	Development of polarizer for VR with compensation film	Primarily for VR application scenarios; currently in the customer certification stage.
5	Development of polarizer with wide viewing angle for laptop	Expand viewing angles of laptop panels and enhance visual experience; currently in mass production.
6	Development of next-generation anti-reflective, high-transmittance polarizer for OLED TV	For television applications; currently in mass production.
7	Development of polarizers for OLED IT devices	For displays, laptops, and tablets; polarizers for displays are in mass production, while those for laptops and tablets are in the customer certification stage.
8	Development of polarizers for OLED mobile phones	For mobile phone applications; currently in mass production.
9	Development of ultra-thin OLED polarizers	Primarily for mobile phones and smart wearables; currently in the customer certification stage.
10	Development of polarizers for LCD automotive displays	Primarily for in-vehicle display applications; currently in mass production.
11	Development of polarizers for OLED automotive displays	Primarily for in-vehicle display applications; currently in the material verification stage.

(4). Reason for the significant change in the composition of R&D team and its impact on the future development of the Company

□Applicable √Not applicable

5. Cash flow

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	2024	2023	Change (%)	Reasons for significant year-on-year changes
Net cash flows from operating activities	1,860,217,174.57	-198,131,598.40	N/A	It was mainly due to enhanced supply chain management, stricter control over payment terms, and strengthened efforts in accounts receivable collection, which together led to improved operating cash flow.
Net cash flows from investing activities	-1,864,735,121.07	-4,487,403,534.50	N/A	Mainly due to a decrease in cash payments for the acquisition and construction of fixed assets, and construction in progress for the anode materials and polarizer businesses during the Reporting Period as compared to the previous year.
Net cash flow from financing activities	-2,174,015,031.83	4,801,858,298.19	-145.27	Mainly due to the decrease in net bank loans obtained by the Company during the Reporting Period as compared to the previous year.

(II) Description on Significant Change of Profit Caused by Non-Principal Businesses

√Applicable □Not applicable

For details, please refer to the "Operation Profile" section under "I. Operation Discussion and Analysis" in this section.

(III) Analysis on Assets and Liabilities

√Applicable □Not applicable

1. Assets and liabilities

Unit: Yuan

Item	Amount at the end of the Period	Proportion of the amount at the end of the Period in	Amount at the end of the previous period	Proportion of the amount at the end of the previous	Change ratio of amount at the end of the current	Explanation

		total assets (%)		period in the total assets (%)	period VS amount at the end of the previous period (%)	
Cash at bank and on hand	2,770,648, 155.32	6.00	4,855,725,4 62.72	10.02	-42.94	Mainly due to payments made by the polarizer business during the Reporting Period for the acquisition of the SP business and related assets.
Notes receivable			585,465,24 3.69	1.21	-100.00	Mainly due to full discounting and endorsement of non-recourse commercial drafts in the anode materials business during the Reporting Period.
Receivable financing	42,218,96 1.77	0.09	819,020,20 4.62	1.69	-94.85	Mainly due to the discounting of bank acceptances in the anode materials business during the Reporting Period.

Advances to suppliers	1,285,909,859.83	2.78	426,530,946.40	0.88	201.48	Mainly due to prepayments made by the polarizer business during the Reporting Period for the acquisition of the SP business and related assets.
Other receivables	1,097,253,963.21	2.37	644,244,237.97	1.33	70.32	Mainly due to an increase in margin payments made by the polarizer business during the Reporting Period for the acquisition of the SP business and related assets.
Assets held for sale			504,815,183.07	1.04	-100.00	Mainly due to the deconsolidation of Ulica and its subsidiary Ulica Solar GmbH during the Reporting Period.

Non-current assets due within one year			43,356,102.91	0.09	-100.00	Mainly due to the deconsolidation of Inner Mongolia Qingshan, a subsidiary, during the Reporting Period.
Investments in other equity instruments	126,486,318.53	0.27	842,256,655.01	1.74	-84.98	Mainly due to disposal of shares in Luoyang Molybdenum and fluctuations in the prices of Luoyang Molybdenum and other shares during the Reporting Period.
Fixed assets	14,256,097,096.93	30.85	10,917,093,804.09	22.52	30.59	Mainly due to the increase in the transfer of construction in progress to fixed assets in the anode materials business during the Reporting Period.
Construction in progress	3,789,117,779.51	8.20	5,580,742,755.55	11.51	-32.10	Mainly due to the transfer of construction in progress to fixed assets in the anode business during the Reporting Period.

Deferred income tax assets	278,647,868.69	0.60	199,332,670.75	0.41	39.79	Mainly due to an increase in deductible temporary differences arising from inventory write-downs, unrealized profit, and lease-related items during the Reporting Period.
Other non-current assets	15,196,329.49	0.03	136,235,292.10	0.28	-88.85	Mainly due to the recovery of earnest money for property purchase from the prior year and a decrease in advance payments for equipment procurement during the Reporting Period.
Notes payable	190,995,331.81	0.41	824,517,193.64	1.70	-76.84	Mainly due to maturity and settlement of notes in the anode materials business during the Reporting Period.

Contract liabilities	32,640,936.49	0.07	12,376,375.15	0.03	163.74	Mainly due to an increase in customer prepayments in the anode materials business for securing supply volume in advance during the Reporting Period.
Accounts payable	4,524,023,879.56	9.79	2,812,406,457.12	5.80	60.86	Mainly due to improved supply chain management and optimization of payment terms during the Reporting Period.
Advances from customers	1,827,784.11	0.00	20,835,376.00	0.04	-91.23	Mainly due to the deconsolidation of Ulica, and reclassification of the previously received earnest payment for Ulica's equity into equity consideration during the Reporting Period.

Taxes payable	240,634,882.88	0.52	79,179,764.82	0.16	203.91	Mainly due to increased land use tax, VAT, and other taxes payable from the disposal of real estate and related facilities in the Wangchun Garden during the Reporting Period.
Liabilities held for sale			427,188,378.77	0.88	-100.00	Mainly due to the deconsolidation of Ulica and its subsidiary Ulica Solar GmbH during the Reporting Period.
Other current liabilities	3,391,582.34	0.01	1,498,699.04	0.00	126.30	Primarily due to an increase in output VAT to be transferred during the Reporting Period.
Long-term payables	235,291,929.72	0.51	497,131,448.00	1.03	-52.67	Mainly due to repayments of finance lease obligations in the anode materials business during the Reporting Period.

Estimated liabilities	36,047,544.20	0.08	75,868,748.26	0.16	-52.49	Mainly due to the Company offsetting some product quality guarantee deposits during the Reporting Period.
Treasury shares	1,469,285,164.43	3.18	981,321,182.46	2.02	49.73	Mainly due to share repurchases by the Company during the Reporting Period.
Other comprehensive income	-233,336,549.38	-0.50	-77,894,085.74	-0.16	N/A	Mainly due to the disposal of part of the Luoyang Molybdenum shares and fair value changes in remaining financial assets during the Reporting Period.
Specific reserves	10,880.60	0.00	1,724,238.27	0.00	-99.37	Mainly due to the deconsolidation of Inner Mongolia Qingshan, a subsidiary, during the Reporting Period.

2. Overseas assets

Applicable Not applicable

(1) Asset size

Among which, overseas assets were 1,243,623,330.95 (Unit: Yuan Currency: RMB), accounting for 2.69% of the total assets.

(2) Description of the relatively high proportion of overseas assets

Applicable Not applicable

3. Restrictions on assets as of the end of the Reporting Period

Applicable Not applicable

As of the end of the Reporting Period, the assets whose ownership or right of use is restricted are referred to Note “V. (I) 22. Assets with restricted ownership or right of use” to the financial statements.

(IV) Industry Analysis

Applicable Not applicable

1. Analysis of operational information of anode material industry

According to statistics from ICC, global production of anode materials in 2024 reached 2.1673 million tons, a year-on-year increase of 23%. Among this, China’s share of anode material production further increased to 98.5%. In 2024, the global penetration rate of artificial graphite anode materials was approximately 89%. Owing to the high cost-performance ratio of artificial graphite, its market share continued to rise. Driven by multiple factors - including sustained strong growth momentum in downstream demand, enhanced product differentiation of anode materials, and cost reduction and efficiency improvement achieved through integrated projects - the price of anode materials stabilized after a period of decline. The industry’s supply-demand dynamics showed signs of marginal improvement.

2. Analysis of operational information of polarizer industry

In 2024, the polarizer market experienced steady growth in demand. According to a survey by Yano Research Institute, the global polarizer market, measured by manufacturer production volume, is projected to reach 594.3 million square meters in 2024, representing a year-on-year growth of approximately 5.3%. Meanwhile, the competitive landscape of the polarizer industry has shifted, with Japanese and Korean manufacturers gradually reducing production capacity or exiting the market, while Chinese manufacturers have actively captured market share through mergers and acquisitions as well as capacity expansion. In this process, industry concentration has further increased, and competition in the domestic market has intensified. As competition continues to deepen, polarizer product prices have come under further pressure, posing new challenges for the development of polarizer manufacturers.

(V) Analysis of Investment**Overall analysis of external equity investments**

Applicable Not applicable

During the Reporting Period, the Company's outbound investment was RMB2,256.2687 million, a decrease RMB2462.7478 million or 52.19% compared to the same period of last year. Important investment projects are as follows:

Invested company name	Invested amount during the Reporting Period (RMB0'000)	Main business	Equity ratio (%)	Remarks
Ningbo Shanshan New Material Technology Co., Ltd.	50,000.00	Anode	87.5137	Capital increase
Ningbo Shanshan Silicon-based Materials Co., Ltd.	13,380.00	Anode	87.5137	Capital in place
Sichuan Shanshan New Energy Co., Ltd.	1,000.00	Anode	87.5137	New subsidiary
Sichuan Shanshan New Material Co., Ltd.	75,000.00	Anode	87.5137	Capital increase
Korea Sanjin Optoelectronics Co., Ltd. (韩国杉金光电株式会社)	81,322.80	Polarizer	100.00	New subsidiary
Sanjin Optoelectronics (Vietnam) Co., Ltd. (杉金光电越南有限公司)	3,924.07	Polarizer	100.00	New subsidiary

1. Significant equity investments

Applicable Not applicable

2. Major non-equity investment

Applicable Not applicable

Project name	Project amount (RMB0'000)	Investment in the year (RMB0'000)	Total investments (RMB0'000)	Source of funds	Progress of project
The lithium ion battery anode material integration base project with the annual output of 200,000 tons in Meishan, Sichuan	800,000.00	16,220.72	406,268.76	Self-owned fund + financing	Phase I has been commissioned; construction of Phase II living quarters is completed and currently under interior decoration.
The lithium ion battery anode material integration base project with the annual output of 300,000 tons in Anning, Yunnan	970,000.00	150,884.29	388,713.29	Self-owned fund + financing	Phase I capacity has been commissioned and is ramping up.
The lithium ion battery silicon-based anode material integration base	375,000.00	35,242.11	76,107.28	Self-owned fund + financing	Phase I civil construction completed;

project of Shanshan with the annual output of 40,000 tons					part of the capacity has entered trial production.
The LCD polarizer production line project with an annual output of 40 million square meters in Zhangjiagang	218,700.00	13,958.11	184,220.38	Self-owned fund + financing	Commissioned and undergoing capacity ramp-up.
The polarizer production line project with an annual output of 50 million square meters in Mianyang	350,000.00	21,076.86	49,041.59	Self-owned fund + financing	Under construction.
The high-end display polarizer production line project with an annual output of 40 million square meters in Yangzhou	450,000.00	7,706.13	7,706.13	Self-owned fund + financing	In the early planning stage

3. Financial assets measured by fair value

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Type of assets	Amount as at the beginning of the period	Gains (losses) from changes in fair value for the current period	Cumulative fair value changes included in equity	Impairment accrued in the current period	Purchase amount in the current period	Sale/redemption amount in the current period	Other changes	Closing amount
Investments in other equity instruments	842,256,655.01	427,077,648.70	410,870,828.22			532,918,462.82	-609,929,522.36	126,486,318.53
Other non-current financial assets	202,225,284.01	-7,980,334.68	-10,576,334.68		43,970,023.85		-1,177,665.32	237,037,307.86
Receivable financing	819,020,204.62						-776,801,242.85	42,218,961.77
Total	1,863,502,143.64	419,097,314.02	400,294,493.54		43,970,023.85	532,918,462.82	1,387,908,430.53	405,742,588.16

Securities investment

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Varieties	Stock code	Securities abbreviation	Initial investment	Source of funds	Opening carrying amount	Gains (losses) from changes in fair value for the current period	Cumulative fair value changes included in equity	The amount of retained earnings transferred in the current period	Purchase amount in the current period	Sale amount in the current period	Profit/loss on investments in the current period	Carrying amount at the end of the period	Accounting item
Stock	TSX:RM	DEFI TECHNOLOGIES INC	9,155,041.01		896,919.53	4,056,329.15	4,201,792.33					4,953,248.68	Investments in other

													equity instruments
Stock	ASX:ARL	ARDEA RESOURCES LTD			2,769,752.73	-966,436.92	-1,501,071.98					1,803,315.81	Investments in other equity instruments
Stock	ASX:GRL	GODOLPHIN RESOURCES LTD(GRL AT)			58,161.29	-38,198.68	19,962.61					19,962.61	Investments in other equity instruments
Stock	ASX:KAL	KALGOORLIE GOLD MINING LTD ORDINARY SHARES(KAL AU)			39,922.06	-15,352.25	24,569.81					24,569.81	Investments in other equity instruments
Stock	ASX:1MC	Morella Corporation Limited	225,883,583.93		10,941,899.40	-8,582,128.63	-223,523,813.16					2,359,770.77	Investments in other equity instruments
Stock	SH:603993	Luoyang Molybdenum	40,081,537.18		780,000,000.00	432,623,436.03	639,623,436.03	609,929,522.36		532,918,462.82		69,775,450.85	Investments in other equity instruments
Total	/	/	275,120,162.12	/	794,706,655.01	427,077,648.70	410,441,290.98	609,929,522.36		532,918,462.82		78,936,318.53	/

Securities investments

Applicable Not applicable

Private fund investment

Applicable Not applicable

Investment in derivatives
Applicable Not applicable

4. Specific progress of material assets reorganization and integration during the Reporting Period

Applicable Not applicable

(VI) Disposal of Major Assets and Equity Interest

Applicable Not applicable

1. Disposal of assets

On 9 December 2024 and 25 December 2024, the Company convened the 14th meeting of the 11th Board of Directors and the First Extraordinary General Meeting for 2024, respectively, at which the *Proposal on Asset Disposal* was considered and approved. The meetings resolved to approve the Company entering into an agreement with Ningbo Haishu Chancheng Ecological Construction Co., Ltd. (hereinafter referred to as “Haishu Chancheng Ecological Construction Co., Ltd.”) regarding the disposal of certain assets, namely the state-owned land use rights for construction purposes covering an area of 208,467.82 square meters located at No. 238 Yunlin Middle Road, No. 80 Shanghai Road, and No. 218 Yunlin Middle Road, Gulin Town, Haishu District, Ningbo City, along with all buildings thereon (including interior decoration and finishes), equipment, and other ancillary facilities (collectively, the “Subject Assets”). The parties reached consensus and executed the corresponding agreement. As of 31 December 2024, the Company had completed the relevant procedures for the transfer of the Subject Assets. The transaction counterparty, Haishu Chancheng Ecological Construction Co., Ltd., had paid 80% of the total transaction consideration to the Company, amounting to RMB700.448 million. As of the date of this Report, the Company has received the full remaining balance of the consideration.

2. Sale of part of the equity interests of Quzhou Shanshan

The Company completed the delivery of the transfer of the equity interest in Quzhou Shanshan, a subsidiary of electrolyte business, on 17 February 2023. As the counterparties Xinya Process and Xinya Zhongning failed to pay the remaining equity transfer payment of RMB344.862 million by 30 June 2023 as agreed, after several rounds of negotiation, the parties involved in the transaction reached an agreement and entered into the Settlement Agreement, which specified the payment arrangement for the remaining equity transfer payment and capital occupancy fee. For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE on 30 December 2023.

On 28 June 2024, Xinya Process and Xinya Zhongning initiated legal proceedings against Yongquan Investment, Shanshan New Energy, and the Company, citing discrepancies between certain production line capacities and the actual circumstances. On 12 July 2024, Yongquan Investment filed a lawsuit against Xinya Zhongning for its failure to pay the equity transfer consideration in accordance with the *Settlement Agreement*. Evidence in connection with the above cases was exchanged on 21 April 2025.

3. Sale of part of the equity of Shanshan brand

In 2020, the Company sold a portion of its equity interest in its apparel business subsidiary, Shanshan Brand, which was no longer included in the Company's consolidated statements from July 2020. As of the date of this Report, the Company has received a total of RMB132.1133 million of the equity transfer payment, and will continue to follow up and urge the counterparty to pay the balance.

(VII) Analysis of Major Companies in Which the Company Has Invested

√Applicable □Not applicable

Unit: 0'000 Currency: RMB

Holding subsidiary	Main operations	Registered capital	Equity ratio (%)	Total ending assets	Ending net assets	Operating revenue during the Reporting Period	Profit during the Reporting Period
Shanjin Optoelectronics (Suzhou) Co., Ltd.	Production, processing and R&D of polarizers	710,522.56	100.00	934,570.83	924,850.83	46,589.82	1,107.66
Shanjin Optoelectronics (Guangzhou) Co., Ltd.		170,000.00	100.00	557,956.43	316,037.35	501,354.74	21,946.66
Shanjin Optoelectronics (Nanjing) Co., Ltd.		380,000.00	100.00	606,579.29	470,303.34	698,955.82	12,961.88
Shanjin Optoelectronics Technology (Zhangjiagang) Co., Ltd.		90,000.00	100.00	232,440.96	78,752.85	136,788.69	-8,256.20
Shanghai Shanshan Lithium Battery Material Technology Co., Ltd.	R&D, production and sale of li-ion anode materials and carbon materials	118,200.00	87.5137	869,660.86	586,900.89	-	-1.23
Ningbo Shanshan New Material Technology Co., Ltd.		280,000.00	87.5137	480,946.43	332,693.92	286,596.27	17,082.54
Shanghai Shanshan Technology Co., Ltd.		30,000.00	87.5137	103,753.00	67,696.16	91,700.35	6,789.65
Fujian Shanshan Technology Co., Ltd.		20,000.00	87.5137	146,895.64	59,282.30	224,827.05	15,183.04
Shanghai Shanshan New Material Co., Ltd.		100,000.00	87.5137	637,077.30	134,840.23	779,920.80	2,511.14
Inner Mongolia Shanshan Technology Co., Ltd.		130,000.00	87.5137	293,051.24	164,040.44	277,375.03	1,405.75
Sichuan Shanshan New Material Co., Ltd.		250,000.00	87.5137	618,431.22	240,570.53	409,336.76	25,284.63
Yunnan Shanshan New Material Co., Ltd.		205,000.00	87.5137	649,018.59	219,166.24	203,752.43	-7,490.15
Ningbo Shanshan Venture Capital Investment Co., Ltd.		Venture capital, industrial investment	100,000.00	100.00	146,212.90	145,157.78	-

Shareholding subsidiary	Main operations	Registered capital	Equity ratio (%)	Total assets	Assets (net)	Operating revenue	Net profit
BASF Shanshan Battery Material Co., Ltd.	R&D, production and sale of lithium-ion battery cathode materials	57,884.55	49.00	648,868.03	488,740.89	405,593.13	-36,705.77
Zhejiang Chouzhou Commercial Bank Co., Ltd.	Raise public deposits, issue loans and handle domestic settlement, etc.	460,000.00	6.45	37,515,057.39	2,827,106.95	1,108,897.46	156,473.20

Note: The registered capital of Zhejiang Chouzhou Commercial Bank Co., Ltd. was officially changed on 28 March 2025, from RMB4.2 billion to RMB4.6 billion upon completion of the relevant industrial and commercial registration procedures. As a result, the Company's shareholding decreased from 7.06% to 6.45%.

(VIII) Structured Entities under the Control of the Company

Applicable Not applicable

VI. The Company's Discussion and Analysis regarding the Company's Future Development

(I) Pattern and Trend of the Industry

Applicable Not applicable

1. Anode material business

According to the *White Paper on the Development of China's Lithium-ion Battery Industry (2025)* by EVTank, global lithium-ion battery shipments are projected to reach 1,899.3 GWh in 2025 and 5,127.3 GWh in 2030, which will continuously drive the expansion of the global anode materials market. The industry is expected to continue undergoing profound structural adjustments characterized by "order concentration among leading players and elimination of low-end production capacity". Technological barriers and customer stickiness have become the core factors of competitiveness, accelerating the increase in market concentration. Leveraging its leading advantages in technologies such as fast-charging and silicon-based anode materials, as well as its deep collaborations with leading global battery manufacturers, the Company will enhance cost-efficiency and increase market share through process innovation and the advancement of integrated capacity ramp-up.

Terminal vehicle manufacturers are actively deploying high-voltage fast-charging models, driving rapid iteration of anode products with high rate performance and high capacity, thereby triggering a surge in demand for fast-charging anode materials. The Company will continue to solidify its technological leadership in fast-charging products, intensify R&D efforts to overcome technical bottlenecks, and steadily advance the R&D and industrialization of next-generation high-performance fast-charging anode materials.

Silicon-based anode materials have benefited from the accelerated industrialization of large cylindrical batteries and semi-solid-state batteries, enabling scaled-up deployment. According to projections by GGII, the shipment volume of silicon-based composite materials is expected to exceed 300,000 tons by 2030, with a compound annual growth rate (CAGR) of over 50% from 2023 to 2030. The Company's silicon-based anode products have maintained a leading position in both technology and industrialization progress, with continuous technological breakthroughs, and the related products have already achieved mass application. Meanwhile, phase I of the Company's silicon-based anode material integration base in Ningbo has partially commenced pilot production and trial operation, and is supplying in bulk to leading domestic and international customers. The Company will seize the development opportunities brought by the industrialization of silicon-based anode materials, and leverage its technological expertise and production capacity to further strengthen its industry-leading position in the silicon-based anode sector.

2. Polarizer business

As polarizer business has high technical, capital, certification and other industry barriers, and high market concentration, the global polarizer capacity is mainly concentrated in the main polarizer manufacturers, such as Shanjin Optoelectronics, Sumitomo Chemical, Nitto Denko, etc. According to CINNO Research data, the production capacity of the top five global manufacturers accounted for 81% in 2024. Amid fierce market competition, Japanese and Korean manufacturers are gradually scaling back or exiting the polarizer market, while Chinese manufacturers are further expanding their market share through mergers and acquisitions and other means. According to data from Sigmaintell, by 2027, China (including Taiwan) is expected to account for approximately 90% of the world's total polarizer production capacity by area.

Benefiting from multiple factors such as the trend toward larger display sizes, replacement demand in the consumer electronics sector, the development of 5G/8K and AI technologies, and the stimulus of China's "trade-in" subsidy policy, market demand for display products is expected to continue growing, thereby driving a corresponding increase in polarizer demand area, particularly in segments such as OLED, automotive displays, and ultra-large-size displays. According to Omdia's forecast, shipments of OLED panels above 9 inches are expected to grow by 32.7% year-on-year in 2025, while shipments of LCD and OLED TVs and public displays of 85 inches and above are projected to grow by 34% year-on-year in 2025.

The Company will continue to strengthen its global leadership in the large-size display segment and accelerate the R&D and shipment expansion of OLED, small- and medium-sized, and automotive polarizer products, with the aim of continuously enhancing its medium- to long-term profitability.

(II) Our Development Strategies

Applicable Not applicable

The Company remains firmly committed to implementing the national strategy for scientific and technological innovation, focusing on its dual core businesses of lithium-ion battery anode materials and

polarizer products, and continuously empowering the development of strategic emerging industries such as new energy and new-type displays. Adhering to a customer-centric approach, the Company deepens its dual-engine strategy driven by technological innovation and cost leadership. By strengthening R&D investment, enhancing intelligent manufacturing capabilities, and optimizing operational efficiency, the Company seeks to consolidate its global industry leadership and continuously improve its medium- to long-term profitability.

1. Anode material business strategy

In terms of anode material business, based on the value orientation of "deeply empowering customers' needs", the Company is committed to becoming an outstanding global leader in the field of anode materials by promoting the cost leadership strategy and realizing high-quality development on the basis of consolidating the leading technology of its products.

2. Polarizer business strategy

The Company's polarizer business upholds the development philosophy of "quality-oriented and innovation-driven." Through sustained and intensive R&D investment, the Company drives product technology iteration and high-end upgrades, while strategic acquisitions accelerate the expansion of its high-end product portfolio, comprehensively enhancing industrial competitiveness. Leveraging industry-leading capabilities in technological innovation, capacity deployment, and cost control, the Company continuously consolidates its global leading position.

(III) Business Plan

Applicable Not applicable

1. Anode material business

1) R&D and product plan

(1) Comprehensively promote cost reduction and efficiency enhancement in artificial graphite production: All production sites are actively advancing cost reduction initiatives for artificial graphite products. The R&D institute, sales, PMC, and supply chain departments have established a cross-functional collaboration mechanism to systematically implement key initiatives such as process route upgrades, supply chain cost reduction synergy, and production efficiency improvement, thereby enhancing the market competitiveness of the products and achieving dual optimization of cost and carbon emissions.

(2) Increase R&D investment to drive technological innovation: The Company continues to strengthen investment in the R&D of new technologies and new equipment to support the development of high-performance products and enhance the competitiveness of artificial graphite, natural graphite, soft and hard carbon, and silicon-carbon products. Meanwhile, it is accelerating the development of natural graphite products and increasing their share in overseas markets.

(3) Accelerate the industrialization of new anode products: The Company is expediting the application and promotion of new materials such as soft and hard carbon and silicon-carbon, aiming to establish a comprehensive ecosystem that supports full-scenario applications across lithium-ion batteries, sodium-ion batteries, and solid-state batteries.

(4) Deployment of frontier technologies: The Company is accelerating the deployment of cutting-edge technologies. On the existing foundational platforms for solid-state batteries, dry electrode technology, and cylindrical cells, it is strengthening upstream and downstream collaboration to maintain coordinated development of frontier ecosystem technology applications.

2) Customer development and cooperation plan

In 2025, the Company will focus on four strategic directions to continuously increase market share: consolidate its leading position in the consumer electronics sector; continue to deepen cooperation with leading power and energy storage battery manufacturers and increase share; expand cooperation with end-use automobile manufacturers; accelerate market expansion in Japan, South Korea, Europe, and North America.

A tiered customer management mechanism will be established to systematically increase the share of each customer tier: accelerate mass production deliveries to existing customers; actively promote products and conduct evaluations for target customers with clearly identified development needs, providing customized solutions; maintain communication with potential customers to identify and clarify their requirements.

3) Procurement and supply chain cooperation plan

In 2025, the Company will deepen strategic cooperation with upstream partners and establish a secured supply system for key raw materials such as needle coke, petroleum coke, and calcined coke, in order to further strengthen the stability and security of raw material supply. It will also continue to enhance its raw material development capabilities by implementing low-cost coke substitution solutions and customized adjustment technologies for coke materials, thereby reducing material costs and improving product profitability.

2. Polarizer business

1) Focus on high-end products and accelerate the R&D and commercialization of high value-added products

The Company will strategically focus on the high-end upgrading of the polarizer industry, concentrating on high-growth segments such as ultra-large-size displays, high-end small- and medium-sized, automotive displays, and OLED polarizers. It will accelerate the expansion and iteration of its high value-added product portfolio, while promoting the integration of the newly acquired SP business to improve operational efficiency, with the goal of continuously enhancing the core competitiveness and profitability of its products.

2) Continue advancing the construction of global R&D centers to expand technological leadership across the board

The Company will continue to invest in the construction of global R&D centers for polarizers, strengthen industry-academia-research collaboration, actively introduce high-end talent and advanced technologies, and promote technological advancement and iteration in the display industry through collaborative innovation. These efforts will enhance the Company's R&D capabilities and facilitate the development of new technologies, new products, and new applications.

3) Drive cost reduction through the collaborative efforts of process iteration and raw material innovation

The Company will continue to promote lean innovation and refined management to achieve cost reduction and efficiency improvement. On one hand, it aims to reduce material waste rates by increasing product yield and throughput rate; on the other hand, it will continue to deepen cooperation with strategic suppliers, drive cost reduction in materials, and actively promote the localization of raw materials to ensure the stability and security of upstream supply and enhance cost competitiveness.

4) Continuously strengthen the partnership with customers

The Company will strengthen its partnership with downstream mainstream panel manufacturers. With the advantages of front-end capacity and back-end RTP/RTS supply, we will achieve stable product supply, and achieve win-win long term cooperation and development with customers with excellent product quality and service.

The above business plan does not constitute a performance commitment by the Company to investors. Investors are advised to maintain sufficient risk awareness and shall understand the difference between business plans and performance commitment.

(IV) Potential Risks

Applicable Not applicable

1. Policy risks

The Company's core businesses are well aligned with the national strategic orientation toward emerging industries. However, adjustments to national policies related to the anode materials and polarizer industries may exert a certain degree of impact on the Company's operations. In addition, significant changes in global tariff policies could introduce uncertainties to the Company's production and business activities.

Countermeasures: Continue to closely monitor relevant policies at both national and local levels, conduct thorough research and feasibility analysis prior to industrial investment, and timely adjust its investment plans to mitigate risks arising from policy changes; continue to pursue technological innovation to enhance profitability; strategically deploy overseas production capacity to circumvent trade barriers; and actively promote domestic collaboration on the localization of raw materials for polarizers to reduce the risks associated with raw material supply.

2. Market competition risks

With continued national support for the new energy industry, new entrants are being attracted into the lithium battery materials sector through direct investment, industrial transformation, or mergers and acquisitions, thereby intensifying industry competition. At the same time, existing lithium battery materials enterprises are actively expanding production capacity, leading to an increasingly competitive market landscape. If downstream demand weakens in the future, it may result in reduced demand for anode materials or sustained price declines, which could negatively impact the Company's operating performance.

As the display panel industry shifts toward China, the demand for localized upstream materials—such as polarizers—has grown rapidly. Domestic polarizer manufacturers are accelerating capacity expansion plans, and with the release of additional production capacity, the risk of intensified market competition increases.

Countermeasures: The Company remains committed to technological innovation, continuously promoting product iteration and upgrading to enhance product value-added. It also strives to improve cost competitiveness on an ongoing basis through operational efficiency enhancements and lean manufacturing initiatives.

3. Risks of fluctuations in raw material prices

The main raw materials for the lithium-ion battery anode material business of the Company include petroleum coke and needle coke, and the cost of raw materials comprises a large proportion of its cost of anode products. The price of raw materials will fluctuate to different degrees under the influence of market supply and demand relations. If the pressure of rising raw material prices cannot be transmitted to the downstream or the rising cost pressure cannot be offset through technological process innovation, it will cause certain impact on the Company's business results.

Polarizer raw materials are mainly concentrated in relevant enterprises in Japan and South Korea, especially PVA films and TAC films are mainly purchased from relevant enterprises in Japan. The possible great change to the operation of upstream raw material suppliers or the foreign trade environment will add to the uncertainty for the Company's production and operation in the polarizer business.

Countermeasures: Track the price fluctuation of upstream raw materials in a timely manner, deepen the cooperation with upstream raw material suppliers, and continuously improve the supply chain system, so as to secure the Company's raw materials supply chain and reduce the risk of cost fluctuations. Establish stable raw material supply channels and enter into long-term agreements with upstream suppliers. Fully implement integrated capacity planning to reduce raw material costs.

4. Risks of development of new products and technologies

With evolving end-user demand and ongoing technological advancement, the industrialization of alternative battery technologies such as solid-state batteries and sodium-ion batteries may accelerate. If the Company fails to upgrade or innovate its products in a timely manner in response to these technological trends, its market position and profitability may be adversely affected.

Although LCD currently holds a dominant position in the display panel industry, emerging display technologies such as OLED and Micro LED are rapidly developing, which may challenge the market position and demand for LCD displays, thereby impacting the demand and profit margin of the Company's LCD polarizer business.

Countermeasures: Building on its solid technological foundation and leading R&D capabilities, the Company continues to strengthen research and innovation efforts, and actively deploys new material systems such as silicon-based anode and hard carbon materials. It closely tracks technological developments in solid-state and sodium-ion batteries and makes early-stage arrangements for related material systems to maintain technological foresight and leadership. The Company continues to

consolidate its leading position in LCD polarizer products while enhancing the R&D and industrialization of new products. It also expands its business through the acquisition of OLED polarizers and automotive polarizers to maintain a forward-looking position in new technologies and a leading edge in the market.

5. Risk of changes in the international trade environment

The current international environment is becoming increasingly complex, with geopolitical conflicts, trade protectionism and other factors exacerbating the instability of the international trade environment and significantly increasing the instability and uncertainty of the global supply chain. Based on the protection and localization requirements of the local industrial chain in Europe and the United States and other major countries and regions, relevant industrial policies may not be conducive to the development of domestic lithium battery overseas market, and may also affect the procurement demand of the Company's overseas customers. Overseas investment in the anode business faces multiple risks, including geopolitical tensions, legal compliance, economic fluctuations, cultural differences, intellectual property issues, and environmental responsibilities. These may lead to increased construction and operational costs as well as heightened compliance risks, thereby constraining the Company's global expansion plans.

Countermeasures: Actively monitor changes in the international trade environment and respond dynamically to associated risks; deepen strategic collaboration with overseas clients and promote localized deployment based on demand to enhance the resilience of the supply chain.

6. Exchange rate risk

As part of the Company's procurement and sales come from overseas, the settlement with overseas payment channels involves USD, Euro, Japanese yen and other currencies. This may come with some exchange rate fluctuation risk.

Countermeasures: Establish a dynamic monitoring mechanism, take into account the corresponding exchange rate fluctuation risks in signing contracts, and use relevant financial instruments reasonably and prudently to avoid exchange rate risks.

7. Risk related to the reorganization of the controlling shareholder

On 25 February 2025, the Yinzhou Court ruled to accept the reorganization application filed by relevant applicants against the Company's controlling shareholder, Shanshan Group. On 20 March 2025, the court ruled for the substantive consolidation and reorganization of Shanshan Group and its wholly owned subsidiary, Pengze Trading. Although the Yinzhou Court has ruled to place Shanshan Group and Pengze Trading into substantive consolidated reorganization proceedings, there remains uncertainty as to whether the reorganization will ultimately succeed. In addition, as Shanshan Group and Pengze Trading enter the reorganization proceedings, the subsequent implementation of the reorganization may result in adjustments to their equity interests in the Company, which may further reduce their shareholdings in the Company and could even lead to a change in the Company's control.

Countermeasures: The Company maintains an independent and complete business structure and possesses the capability to operate autonomously. The Company remains independent from its controlling shareholder in terms of assets, business, and finance. Currently, the reorganization of the controlling shareholder has not had any material or substantive impact on the Company's day-to-day production and operations. Going forward, the Company will continue to make every effort to carry out all aspects of its business operations and management to ensure the sound operation of the listed company. At the same

time, the Company will maintain ongoing communication with the controlling shareholder and will continue to disclose, in a timely and adequate manner, any relevant information regarding the reorganization of the controlling shareholder as soon as it becomes known.

VII. Failure to Disclose as Per Rules Due to Inapplicability or Special Reasons, Such as State Secrets and Business Secrets

Applicable Not applicable

Section IV Corporate Governance

I. Description of Corporate Governance

Applicable Not applicable

During the Reporting Period, the Company continuously improved its corporate governance structure and internal management systems in accordance with the requirements of laws and regulations such as the *Company Law*, *Securities Law*, *Code of Corporate Governance for Listed Companies* and *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* while taking into account the Company's actual situation. As at the date of this Annual Report, the Company is in compliance with the corporate governance requirements applicable to it as a PRC company publicly listed on the Shanghai Stock Exchange in all material aspects.

1. Shareholders and General Meeting

The Company strictly complied with the requirements of the *Rules for General Meetings of Listed Companies* issued by the CSRC to regulate the procedures of calling and holding of and voting at general meetings and ensure that all shareholders, especially minority shareholders, enjoy equal right to be informed and the rights to be exercised. For decision-making on major matters, the Company strictly fulfilled the procedures of approval at general meetings and engaged intermediaries qualified in securities practice and lawyers to issue opinions to ensure scientific, fair and lawful decision-making. Two general meetings were held during the year. The holding thereof, the number of shareholders present thereat and representative shares were in compliance with the relevant provisions of the *Company Law* and the *Articles of Association*, and the shareholders present thereat were able to fully exercise their voting rights independently.

2. Controlling Shareholder and Listed Company

The Company's controlling shareholder exercised its rights as a contributor through the general meeting and did not bypass the general meeting to interfere directly or indirectly with the Company's decision-making and operations. The Company was separated from its controlling shareholder in terms of personnel, assets and financial affairs, and independent in institution and business. The Company's Board of Directors, Supervisory Committee and management are able to operate independently, and the Company has independent and complete business and independent operation capability.

3. Directors and Board of Directors

During the Reporting Period, the Board of Directors of the Company operated in strict compliance with the relevant requirements of the *Company Law*, the *Articles of Association* and the *Rules of Procedure of the Board of Directors*, and all directors performed their duties carefully, actively participated in relevant business training and studied the spirit of relevant laws and regulations. The rights, obligations and responsibilities of the directors are clear, and the composition of the Board of Directors is in compliance with the laws and regulations. The Company has well-established independent director system.

4. Supervisors and Supervisory Committee

The Company selected and appointed supervisors in strict accordance with the procedures for the selection and appointment of supervisors stipulated in the *Articles of Association*. The number of

supervisors and the composition of the Supervisory Committee were in compliance with the requirements of laws and regulations and the Articles of Association. During the Reporting Period, the supervisors of the Company carefully performed their duties and effectively supervised the production and operation, financial status of the Company as well as the compliance of the directors and senior management with laws and regulations in performing their duties, ensuring the normative operation and management and safeguarding the legitimate rights and interests of the Company and its shareholders.

5. Performance Evaluation and Incentive and Restraint Mechanism

The Company establishes and gradually improves the performance evaluation and assessment system and incentive and restraint mechanism for directors and managers, linking the remuneration of senior executives with benefits. Allowances for directors, supervisors and independent directors are determined by the general meeting. The appointment of senior executives was open, transparent and in compliance with the relevant laws and regulations.

6. Stakeholders

The Company fully respected and safeguarded the legitimate rights and interests of stakeholders and balanced the interests of shareholders, creditors, employees and society. All stakeholders jointly promoted the sustainable and healthy development of the Company.

7. Establishment and Implementation of the Registration and Management System for Insiders

The Company has established the *Registration and Management System for Insiders* in accordance with the relevant provisions of the CSRC's *Guidelines for the Supervision and Administration of Listed Companies No. 5 – Measures on Registration of Insiders of Listed Companies' Inside Information*. During the Reporting Period, the Company strictly implemented the *Registration and Management System for Insiders* in accordance with the above-mentioned regulations and properly registered the insiders of relevant insider information to prevent leakage of insider information and ensure fair and equitable disclosure of information.

Reasons should be provided for any discrepancies between the corporate governance of the Company and the laws, administrative regulations, and the relevant requirements of the CSRC on the governance of listed companies.

Applicable Not applicable

II. The Specific Measures Taken by the Controlling Shareholders or De Facto Controllers of the Company to Ensure the Independence of the Company's Assets, Personnel, Finance, Institutions and Business, as well as the Solutions, Work Progress and Follow-Up Work Plans Taken to Affect the Independence of the Company

Applicable Not applicable

The controlling shareholders, de facto controllers and other units under their control are engaged in the same or similar business as the Company, and the impact of competition or significant changes in competition on the Company, the measures taken to solve the problem, the progress of the solution and the follow-up solution plans

Applicable Not applicable

III. General Meetings

Meeting	Convening date	Designated website for publication of the poll results	Date of publication of the poll results	Meeting resolution
Annual General Meeting for 2023	16 May 2024	Website of the SSE at http://www.sse.com.cn	17 May 2024	For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE.
The First Extraordinary General Meeting for 2024	25 December 2024	Website of the SSE at http://www.sse.com.cn	26 December 2024	

Preferred shareholders whose voting rights have been restored requested an Extraordinary General Meeting

Applicable Not applicable

Particulars of general meetings

Applicable Not applicable

Explanation on the First Extraordinary General Meeting for 2024

On 10 December 2024, the Company announced the notice of convening the First Extraordinary General Meeting for 2024. On 15 December 2024, the Company's controlling shareholder, Shanshan Group, submitted a written proposal to the Board of Directors, requesting that the *Proposal on the Change of Accounting Firm* be included as an ad hoc proposal to be submitted to the First Extraordinary General Meeting for 2024 for consideration. The Board of Directors of the Company made the relevant disclosure in accordance with the requirements of the *Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation*. On 22 December 2024, upon deliberation and approval by the Board of Directors, it was resolved to cancel the *Proposal on the Change of Accounting Firm* which had been submitted to the First Extraordinary General Meeting for 2024 for consideration. For further details, please refer to the relevant announcements published by the Company on the website of the SSE on 17 December and 24 December 2024.

IV. Directors, Supervisors and Senior Management

(I) Particulars of Changes in the Shareholding and Remuneration of Existing and Resigned Directors, Supervisors and Senior Management during the Reporting Period

√Applicable □Not applicable

Unit: share

Name	Positions	Gender	Age	Date of commencement of service term	Date of end of service term	Shareholding at the beginning of the year	Shareholding at the end of the year	Change in shares during the year	Reasons of change	Total remuneration received from the Company during the Reporting Period (before tax) (RMB0'000)	Whether received remuneration from connected person(s) of the Company
Zhou Ting	Chairman	Female	43	17 November 2024	9 May 2026	0	0	0	/	74.99	No
	Director			10 May 2023	9 May 2026						
Zheng Ju	Former chairman	Male	34	23 March 2023	17 November 2024	760,000	1,810,000	1,050,000	Increase of holdings through trading in secondary market	501.19	No
	Vice chairman			17 November 2024	9 May 2026						
	Director			23 March 2023	9 May 2026						
Zhuang Wei	Former vice chairman	Male	59	28 December 2020	17 November 2024	4,858,500	4,858,500	0	/	301.19	No
	Director			23 April 2008	9 May 2026						
Li Zhihua	Director	Male	57	12 August 2019	9 May 2026	4,858,500	4,858,500	0	/	281.19	No
	General			24 July 2019	9 May						

Name	Positions	Gender	Age	Date of commencement of service term	Date of end of service term	Shareholding at the beginning of the year	Shareholding at the end of the year	Change in shares during the year	Reasons of change	Total remuneration received from the Company during the Reporting Period (before tax) (RMB0'000)	Whether received remuneration from connected person(s) of the Company
	manager				2026						
Li Fengfeng	Director	Female	45	10 July 2017	9 May 2026	3,262,000	3,149,500	-112,500	Repurchase and cancellation of restricted shares	281.19	No
	Deputy general manager			10 May 2023	9 May 2026						
Zhu Zhiyong	Director	Male	55	10 May 2023	9 May 2026	221,700	148,200	-73,500	Repurchase and cancellation of restricted shares	310.79	No
	Deputy general manager			10 May 2023	9 May 2026						
Li Keqin	Director	Male	50	10 May 2023	9 May 2026	1,000	1,000	0	/	122.86	No
	Chief financial officer			11 January 2021	9 May 2026						
Zhang Chunyi	Independent director	Male	62	18 May 2020	9 May 2026	0	0	0	/	16.62	No
Xu Yanxiu	Independent director	Male	59	18 May 2020	9 May 2026	0	0	0	/	16.62	No
Zhang Yunfeng	Independent director	Male	50	10 May 2023	9 May 2026	0	0	0	/	16.62	No
Zhu Jingtao	Independent director	Male	47	30 September 2020	9 May 2026	0	0	0	/	16.62	No
Gao Ming	Deputy general	Male	54	14 November 2022	9 May 2026	1,000	1,000	0	/	280.00	No

Name	Positions	Gender	Age	Date of commencement of service term	Date of end of service term	Shareholding at the beginning of the year	Shareholding at the end of the year	Change in shares during the year	Reasons of change	Total remuneration received from the Company during the Reporting Period (before tax) (RMB0'000)	Whether received remuneration from connected person(s) of the Company
	manager										
Chen Ying	Secretary to the Board of Directors	Female	43	28 December 2020	9 May 2026	2,235,450	2,235,450	0	/	121.67	No
Xie Yun	Employee representative supervisor	Female	40	12 October 2023	9 May 2026	0	0	0	/	19.60	No
	Convenor of the Supervisory Committee			13 October 2023	9 May 2026						
Hong Zhibo	Supervisor	Female	44	18 May 2020	9 May 2026	0	0	0	/	26.60	No
Xu Chao	Supervisor	Female	35	18 May 2020	9 May 2026	0	0	0	/	33.27	No
Zhao Zhigang	Former deputy general manager	Male	52	14 November 2022	12 February 2025	0	0	0	/	280.00	No
Total	/	/	/	/	/	16,198,150	17,062,150	864,000	/	2,701.02	/

Note:

1. Some of the directors and senior management of the Company (Mr. Zheng Ju, Mr. Zhuang Wei, Mr. Li Zhihua, Ms. Li Fengfeng, Mr. Zhu Zhiyong, Mr. Gao Ming, Mr. Li Keqin and Ms. Chen Ying) planned to use their own funds to increase their holdings of the Company's A shares by means of centralized bidding transactions on the system of the Shanghai Stock Exchange within six months from 30 August 2023, with an aggregate amount of not less than RMB20 million

(inclusive) and not more than RMB40 million (inclusive). During the Reporting Period, Mr. Zheng Ju cumulatively increased his holdings of the Company's A shares by 1,050,000 shares. As of the market close on 29 February 2024, the share increase plan had been fully implemented.

2. Because the performance assessment targets for the second release period of the Company's 2022 Equity Incentive Plan were not achieved, the repurchase and cancellation of 112,500 and 73,500 restricted shares held by Ms. Li Fengfeng and Mr. Zhu Zhiyong, the incentive recipients, respectively, were completed during the Period.

Name	Primary working experience
Zhou Ting	Chairwoman of the Company. She used to be a member of Shanghai Youth Federation, a reporter and anchor of the News Department of Zhejiang Satellite TV and Dragon TV, a reporter and anchor of the News Department of China Business Network, a producer of the "Fluting of Two Sessions" series, and chairman of Shanshan Holdings. She is the incumbent controlling director of Shanshan Holdings and chairman of Shanshan Group.
Zheng Ju	Vice chairman of the Company. He previously held the positions of chairman and president of Shanshan Holdings, and currently serves as director and president of Shanshan Holdings and Shanshan Group.
Zhuang Wei	Director of the Company. He had served as the general manager of Ningbo Shanshan Venture Capital Investment Co., Ltd., general manager of NBSS, chairman and general manager of NBSS, and vice chairman of NBSS.
Li Zhihua	Director and general manager of the Company. He had served as the chairman of Dongguan Shanshan Battery Materials Co., Ltd., Ningbo Shanshan New Materials Technology Co., Ltd. and Hunan Shanshan Energy Technology Co., Ltd., and the deputy general manager, chairman and general manager of NBSS.
Li Fengfeng	Director and deputy general manager of the Company. She had served as the deputy director of the planning department, head of the president's office, the assistant to the president and the vice president of Shanshan Holdings. She is the incumbent chairman of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. and its subsidiaries.
Zhu Zhiyong	Director and deputy general manager of the Company. He has been serving as the president of Chinese Polarizer Business of LG Chem (Nanjing) since 2004, and currently serves as director and general manager of Shanjin Optoelectronics (Suzhou) Co., Ltd.
Li Keqin	Director and CFO of the Company. He served as the vice president and chief financial officer of Ningbo Shanshan Fashion Clothing Branch Management Co., Ltd., the deputy CFO and head of finance division of NBSS, and vice general manager and CFO of Jinzhou Yongshan Lithium Industry Co., Ltd.
Zhang Chunyi	Independent director of the Company. He worked at the Shanghai Open University (formerly Shanghai TV University) from 1984 to February 2023 and is currently the dean and associate professor of the accounting and finance department of the faculty of economics and management of the Shanghai Open University.
Xu Yanxiu	Independent director of the Company. He used to serve as a Member of the Supervision and Judicial Working Committee of the Standing Committee of the 15th Ningbo Municipal People's Congress, and a member of the 16th Chinese People's Political Consultative Conference (CPPCC) of Yinzhou District, Ningbo. He is currently a arbitrator of Ningbo Arbitration Commission, part-time master tutor of Ningbo University, Supervisor of Ningbo Lawyer's Association, head and managing partner and the first-class lawyer of Grandall (Ningbo) Law Firm, director of Ningbo Donghai Bank, and independent director of Ningbo Fuda Co., Ltd.
Zhang Yunfeng	Independent director of the Company. He used to serve as the investment director and fund partner of Zhonghe Venture Capital Management Co., Ltd., executive director, chief operating officer, chief investment officer and special advisor to the Board of Yingde Gases, chairman of Xinjiang Haoyuan

	Natural Gas Co., Ltd; currently serves as chairman and general manager of Shanghai Yuanhan Energy Technology Co., Ltd.
Zhu Jingtao	Independent director of the Company. He has been working at Tongji University since 2005 and has been committed to research in fields relating to optical thin films and relevant technology. He is currently a professor at the faculty of physics and engineering of Tongji University.
Gao Ming	Deputy general manager of the Company. He had served as the general manager of Shenzhen Office of Sino-Australian International Trust Co., Ltd., the general manager of South China Office of China Minsheng Trust Co., Ltd., the president of Ningbo Yilai Investment Holdings Co., Ltd., and vice president of Shanshan Holdings Co., Ltd. He was a director of Jinzhou Yongshan Lithium Industry Co., Ltd. from January 2019 to March 2024.
Chen Ying	Secretary to the Board of Directors of the Company. She had served as the head of the securities affairs division, deputy director of the securities affairs and a representative of securities affairs of NBSS.
Xie Yun	Convenor of the Supervisory Committee of the Company. She used to be the assistant to the chief analyst and the deputy manager of the Futures Department of Ningbo Sunhu Chemical Operation Co., Ltd. and the director of the office of the chairman of Ningbo Shanshan Co., Ltd., and is now the employee representative supervisor and the securities affairs manager of the Securities Affairs Department of Ningbo Shanshan Co., Ltd.
Hong Zhibo	Supervisor of the Company. She had served as the assistant to the head, deputy head and head of the finance department of NBSS, and as the head of the capital management department of NBSS. She is currently the capital manager of the financial capital department of NBSS.
Xu Chao	Supervisor of the Company. She had served as an administrative affairs specialist and assistant to the head of the administrative human resources department of NBSS, and as the secretary to the chairman of Shanshan Group. She is currently the assistant to the office director of NBSS.

Explanation on other information

Applicable Not applicable

On 17 November 2024, the Board of Directors of the Company received *Resignation Letters* from Mr. Zheng Ju, chairman of the Board, and Mr. Zhuang Wei, vice chairman of the Board. Mr. Zheng Ju applied to resign from his position as chairman of the Board due to work-related reasons; Mr. Zhuang Wei applied to resign from his position as vice chairman of the Board due to personal reasons. On the same day, the Company convened the 13th meeting of the 11th Board of Directors, at which Ms. Zhou Ting, director, was elected as chairwoman of the 11th Board of Directors, and Mr. Zheng Ju was elected as vice chairman of the 11th Board of Directors.

On 12 February 2025, the Company convened the 18th meeting of the 11th Board of Directors, at which the *Proposal on the Adjustment of Senior Management Positions of the Company* was considered and approved. Mr. Zhao Zhigang ceased to serve as deputy general manager of the Company and has been reassigned to another position.

(II) Particulars of Engagement of Existing and Resigned Directors, Supervisors and Senior Management during the Reporting Period

1. Engagement in shareholding companies

√Applicable □Not applicable

Name	Name of shareholding company	Positions held in shareholding company	Date of commencement of service term	Date of end of service term
Zhou Ting	Shanshan Holdings Co., Ltd.	Chairwoman	15 November 2024	7 February 2025
	Shanshan Holdings Co., Ltd.	Director	15 November 2024	to date
	Shanshan Group Co., Ltd.	Chairwoman, director	20 November 2024	to date
Zheng Ju	Shanshan Holdings Co., Ltd.	Chairman	12 February 2018	15 November 2024
	Shanshan Holdings Co., Ltd.	Director	12 February 2018	to date
	Shanshan Holdings Co., Ltd.	President	20 July 2015	to date
	Shanshan Group Co., Ltd.	Director	2 September 2019	to date
	Ningbo Yinzhou Jielun Investment Co., Ltd.	Executive director	19 May 2016	26 February 2024
	Ningbo Yinzhou Jielun Investment Co., Ltd.	Chairman	26 February 2024	to date
	Ningbo Yinzhou Jielun Investment Co., Ltd.	General manager	19 May 2016	to date
Li Zhihua	Shanshan Holdings Co., Ltd.	Director	8 April 2020	to date
Explanation on the engagement in shareholding companies				

2. Position at other entities

√Applicable □Not applicable

Name	Name of other company	Position held in other company	Date of commencement of service term	Date of end of service term
Zhou Ting	GUANHUI EDUCATION	Director	12 September 2018	to date
Zheng Ju	Shanghai Xianyi Investment Co., Ltd.	Executive director, general manager	9 November 2016	to date
	Ningbo Juhua Industrial Holdings Co., Ltd.	Executive director, general manager	18 July 2023	to date
Zhuang Wei	Zhejiang Chouzhou Commercial Bank Co., Ltd.	Director	June 2011	27 June 2024
Li Zhihua	BASF Shanshan Battery Material Co., Ltd.	Director	13 November 2003	to date

	BASF Shanshan Battery Material (Ningxia) Co., Ltd.	Director	15 January 2016	to date
	BASF Shanshan Battery Material (Ningxiang) Co., Ltd.	Director	11 March 2014	to date
Li Fengfeng	Shanghai Shanchong Business Consulting Partnership Enterprise (Limited Partnership)	Executive partne	23 September 2019	to date
	Shanghai Shanhe Business Consulting Partnership Enterprise (Limited Partnership)	Executive partne	16 October 2019	to date
	Shanghai Shanhao Business Consulting Partnership Enterprise (Limited Partnership)	Executive partne	30 March 2021	to date
Zhang Chunyi	Shanghai Open University	Dean, associate professor	1984	February 2023
	Maxscend Microelectronics Company Limited	Independent director	25 August 2023	24 August 2026
Xu Yanxiu	Grandall (Ningbo) Law Firm	Head, managing partner and the first-class lawyer	March 2019	to date
	Ningbo Donghai Bank	Director	March 2020	March 2026
	Ningbo Fuda Co., Ltd.	Independent director	23 April 2020	25 April 2026
Zhang Yunfeng	Yuanhan Holdings (Jiangsu) Co., Ltd.	Chairman, executive director, general manager	12 June 2024	to date
	Shanghai Yuanhan Energy Technology Co., Ltd.	Chairman and general manager	24 January 2018	to date
	Hangzhou Teamwin Energy Technology Development Co., Ltd.	Chairman	23 September 2019	to date
	Hangzhou Teamwin Energy Import & Export Co., Ltd.	Executive director, general manager	20 April 2020	to date
	Suining Yuanhan Energy Technology Co., Ltd.	Director	21 August 2020	to date
	Jingmen Yuanhan Battery Materials Co., Ltd.	Chairman	23 October 2023	to date
	Green Tech (Shanghai) Technology Development Co., Ltd.	Director	20 October 2022	to date
	Suzhou Ruisideng New Energy Technology Co., Ltd.	General manager	4 June 2013	to date
	Suzhou Sibolu Photovoltaic Energy Technology Co., Ltd.	Director	8 March 2007	to date
	Shanghai Yunli Enterprise Management Consulting Co., Ltd.	Executive director	16 May 2016	to date
Zhu Jingtao	Tongji University	Professor	June 2007	to date
	Suzhou Hongce Photoelectric	General	26 August 2015	to date

	Technology Co., Ltd.	manager		
	Haikou Hengxing Technology Co., Ltd.	General manager	10 June 2022	to date
	Shenzhen Honghaina Micro Technology Co., Ltd.	General manager	29 February 2024	to date
	Shenzhen Hongce Precision Optical Technology Co., Ltd.	General manager	7 March 2024	to date
Gao Ming	Jinzhou Yongshan Lithium Industry Co., Ltd.	Director	25 January 2019	22 March 2024
	Shanghai Jinyuda Management Consulting Co., Ltd.	Executive director	13 September 2021	to date
Explanation on the engagement in other companies	None			

(III) Particulars of Remuneration of the Directors, Supervisors and Senior Management

Applicable Not applicable

Decision-making procedures for the remuneration of the directors, supervisors and senior management	The remuneration packages for directors and senior management shall be considered by the Remuneration and Evaluation Committee of the Board of Directors; and the allowances for directors and supervisors shall be considered by the general meeting.
Whether a director recuses himself from the Board's discussion of his remuneration matters	Yes
Details of recommendations issued by the Remuneration and Evaluation Committee or the specialized meeting of independent matters relating to the directors, supervisors and senior management	The Remuneration and Evaluation Committee under the Board of Directors has considered and approved the remuneration packages for directors and senior executives.
Basis for determining the remuneration of the directors, supervisors and senior management	Directors, supervisors and senior managers shall, have their remuneration determined based on their specific positions in the Company and its subsidiaries in accordance with the remuneration management system of the company where they work, and receive corresponding allowances in accordance with the resolutions of the general meeting.
Particulars of actual remuneration paid to the directors, supervisors and senior management	For details, please refer to the particulars of changes in the shareholding and remuneration of directors, supervisors and senior management.
Total actual remuneration received by all directors, supervisors and senior management at the end of the Reporting Period	For details, please refer to the particulars of changes in the shareholding and remuneration of directors, supervisors and senior management.

(IV) Change of the Directors, Supervisors and Senior Management of the Company

Applicable Not applicable

Name	Position	Change	Reason for change
Zhou Ting	Chairman	Elected	Elected by the Board of Directors
Zheng Ju	Vice chairman	Elected	Elected by the Board of Directors
Zheng Ju	Chairman	Resigned	Work-related reasons
Zhuang Wei	Vice chairman	Resigned	Personal reasons
Zhao Zhigang	Deputy general manager	Resigned	Adjustment approved by the Board of Directors

(V) Explanation on Punishments by Securities Regulatory Authorities in the Past Three Years

Applicable Not applicable

V. Particulars of the Board Meetings Convened During the Reporting Period

Meeting	Convening date	Meeting resolution
The 7th meeting of the 11th Board of Directors	4 February 2024	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE
The 8th meeting of the 11th Board of Directors	24 April 2024	
The 9th meeting of the 11th Board of Directors	7 May 2024	
The 10th meeting of the 11th Board of Directors	6 June 2024	
The 11th meeting of the 11th Board of Directors	29 August 2024	
The 12th meeting of the 11th Board of Directors	30 October 2024	
The 13th meeting of the 11th Board of Directors	17 November 2024	
The 14th meeting of the 11th Board of Directors	9 December 2024	
The 15th meeting of the 11th Board of Directors	15 December 2024	
The 16th meeting of the 11th Board of Directors	22 December 2024	
The 17th meeting of the 11th Board of Directors	30 December 2024	

VI. Performance of Duties by Directors

(I) Attendance of Directors at the Board Meetings and General Meetings

Director name	Independent director or not	Attendance at Board meetings						Attendance at general meetings
		Attendance required for the year	Personal presence	Remote presence	Proxy presence	Number of absences	Two consecutive absences from meetings	Number of attendances at general meetings
Zhou Ting	No	11	11	8	0	0	No	0

Zheng Ju	No	11	11	10	0	0	No	1
Zhuang Wei	No	11	11	8	0	0	No	1
Li Zhihua	No	11	11	9	0	0	No	0
Li Fengfeng	No	11	11	9	0	0	No	1
Zhu Zhiyong	No	11	10	9	1	0	No	2
Li Keqin	No	11	11	6	0	0	No	2
Zhang Chunyi	Yes	11	10	8	1	0	No	2
Xu Yanxiu	Yes	11	11	9	0	0	No	2
Zhang Yunfeng	Yes	11	11	9	0	0	No	2
Zhu Jingtao	Yes	11	11	8	0	0	No	2

Explanation on two consecutive absences from Board meetings

Applicable Not applicable

Board meetings held during the year	11
Of which: on-site meetings	1
Meetings via communication	6
On-site meetings plus communication	4

(II) Objections Raised by Directors in Respect of Matters Related to the Company

Applicable Not applicable

VII. Specialized Committees under the Board of Directors

Applicable Not applicable

(I) Members of Specialized Committees under the Board of Directors

Category of specialized committees	Name of member
Strategy Committee	Zhou Ting (Chairman), Zhuang Wei, Li Fengfeng, Zhu Zhiyong, Zhang Yunfeng
Audit Committee	Zhang Chunyi (Chairman), Zheng Ju, Xu Yanxiu
Nomination Committee	Zhang Yunfeng (Chairman), Zheng Ju, Zhu Jingtao
Remuneration and Evaluation Committee	Xu Yanxiu (Chairman), Li Zhihua, Zhang Chunyi

Note: On 17 November 2024, the 13th meeting of the 11th Board of Directors of the Company reviewed and approved the election of Ms. Zhou Ting as chairwoman of the Board and Mr. Zheng Ju as vice chairman. Pursuant to the *Articles of Association of Ningbo Shanshan Co., Ltd.* and the *Implementation Rules of the Strategy Committee of the Board of Directors of Ningbo Shanshan Co., Ltd.*, the chairman of the Strategy Committee of the Board of Directors has been changed from Mr. Zheng Ju to Ms. Zhou Ting.

(II) During the Reporting Period, the Audit Committee Held 9 Meetings

Convening date	Agenda of meeting	Important opinions and recommendations	Other performance of duties
17 January 2024	Heard a report from the Company's management on the overall operating performance in 2023, and conducted preliminary discussions on the annual results forecast and annual audit arrangements.	Provided relevant suggestions on the Company's daily operations and the disposal of non-core businesses.	None
29 February 2024	Held a special communication with the Company's management and the accounting firm regarding the issue of fund occupation by the controlling shareholder.	<p>(1) Urged the controlling shareholder to implement a repayment plan within the stipulated period and promptly return the occupied funds;</p> <p>(2) Promoted the rectification of the Company's internal control system, and enhanced the awareness of responsibility and compliance, especially among relevant personnel and the controlling shareholder;</p> <p>(3) Maintained communication with the accounting firm, management, and controlling shareholder to properly resolve the matter and ensure the accurate preparation and disclosure of the annual report.</p>	Following the meeting, the Audit Committee proactively reported the matter to the regulatory authorities, continued to monitor the repayment of funds by the Company's controlling shareholder, and urged the Company to conduct a comprehensive internal control self-assessment and implement corresponding rectification measures. The chairman convened a dedicated meeting of independent directors for focused discussion, and, together with all independent directors, issued a <i>Rectification Recommendation Letter</i> to the Company.
14 April 2024	Reviewed key audit matters of the 2023 annual report, preliminary audit opinions, and relevant financial statements, and held thorough communications with the annual audit CPAs regarding the key audit matters and preliminary opinions.	Adopted	None

Convening date	Agenda of meeting	Important opinions and recommendations	Other performance of duties
24 April 2024	<p>I. Proposal on the Financial and Accounting Reports of the Company for 2023 Audited by the Accounting Firm;</p> <p>II. Proposal on the Re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Auditor of the Company for 2024;</p> <p>III. <i>2023 Annual Report of Audit Committee of the Board of Directors of Ningbo Shanshan Co., Ltd. on Duty Performance;</i></p> <p>IV. <i>Report on the Evaluation of the 2023 Performance of the Accounting Firm and the Supervision Responsibilities Performed by the Audit Committee of the Board of Directors of Ningbo Shanshan Co., Ltd.;</i></p> <p>V. <i>2023 Annual Internal Control Evaluation Report of Ningbo Shanshan Co., Ltd.;</i></p> <p>VI. <i>Special Explanation of Board of Directors on the Unqualified Audit Report with Emphasized Matters of the Company for 2023 and the Unqualified Audit Report with Emphasized Matters on the Internal Control;</i></p> <p>VII. Proposal on the First Quarterly Report for 2024 (Unaudited) of Ningbo Shanshan Co., Ltd.</p>	Adopted	None
7 May 2024	Proposal on Correction of Accounting Errors in the 2023 Annual Report.	Adopted	None
29 August 2024	Proposal on the Full Text and Summary of the 2024 Semi-Annual Report of Ningbo Shanshan Co., Ltd.	Adopted	None
30 October 2024	Proposal on the Third Quarterly Report for 2024 (Unaudited) of Ningbo Shanshan Co., Ltd.	Adopted	None
13 December 2024	Proposal on the Change of the Accounting Firm.	Adopted	The Independent The Independent directors

Convening date	Agenda of meeting	Important opinions and recommendations	Other performance of duties
29 December 2024	Proposal on the Change of the Accounting Firm.	Adopted	servicing on the Audit Committee held dedicated meetings with the Company's CFO and Secretary to the Board of Directors on 19, 20, and 27 December 2024, jointly with other non-committee independent directors, to deliberate on the proposed change of auditing firms. During these sessions, they conducted inquiries and expressed their opinions regarding the matter.

(III) During the Reporting Period, the Remuneration and Evaluation Committee Held 3 Meetings

Convening date	Agenda of meeting	Important opinions and recommendations	Other performance of duties
24 April 2024	(I) Proposal on Cancellation of Certain Stock Options and Repurchase and Cancellation of Certain Restricted Shares under the Company's 2022 Stock Option and Restricted Stock Incentive Plan; (II) Proposal on the Remuneration Packages for the Company's Directors and Senior Management.	Adopted	None
6 June 2024	Proposal on Adjustment of Related Equity Price under the Company's 2022 Stock Option and Restricted Stock Incentive Plan.	Adopted	None
29 August 2024	Proposal on Cancellation of Certain Stock Options and Repurchase and Cancellation of Certain Restricted Shares under the Company's 2022 Stock Option and Restricted Stock Incentive Plan.	Adopted	None

(IV) During the Reporting Period, the Nomination Committee held 1 meeting

Convening date	Agenda of meeting	Important opinions and recommendations	Other performance of duties
17 November 2024	Proposal on Qualification Review and Approval of the Nomination of the Chairman and Vice Chairman of the Company.	Adopted	None

(V) Particulars of the Existence of Any Disagreement

Applicable Not applicable

VIII. Statement about the Company's Exposure to Risks by the Board of Supervisors

Applicable Not applicable

The Supervisory Committee had no objection to the matters under supervision during the Reporting Period.

IX. Particulars of Employees of the Parent Company and Its Major Subsidiaries at the End of the Reporting Period

(I) Employees

Number of the existing employees of the Parent Company	101
Number of the existing employees of major subsidiaries	7,083
Total number of the existing employees	7,184
Number of the retired employees for whom the Parent Company and its major subsidiaries are required to bear the expenses	9
Professional composition	
Professional category	Number of professional employees
Production staff	4,905
Sales personnel	51
Technical personnel	727
Management	244
R&D team members	428
Functional personnel	829
Total	7,184
Education level	
Education level category	Number (person)
Doctor	17
Master	331
Bachelor	1,453
College and below	5,383
Total	7,184

(II) Remuneration Policy

Applicable Not applicable

The Company's remuneration follows the principles of fairness, equity, cost control and budgeting, and implements a remuneration system based on job evaluation, performance evaluation, and market-oriented salaries to provide employees with competitive remuneration and benefits.

In response to the business development of NBSS, the performance evaluation of the industrial companies takes the net return on assets as the core indicator, and growth and risk control as auxiliary indicators, to evaluate the performance of the industrial company's management team. We will fully inspire employees' creativity, initiative and enthusiasm to keep up with the organization's business strategy and achieve the organization's business goals.

(III) Training Programs

Applicable Not applicable

Upholding the core philosophy of "talent-driven development," the Company regards talent as the key driving force behind its growth and is committed to building a comprehensive, multidimensional talent development system. It focuses on enhancing the capabilities of its management team, systematically strengthening the management functions across finance, human resources, administration, and internal controls. The Company and its subsidiaries have also advanced practical, skills-based training programs

in core business areas such as R&D, production, and marketing, with the aim of empowering key personnel and promoting the dual improvement of employees' professional competencies and overall capabilities. Particular emphasis is placed on the development of the internal trainer team, which is being cultivated into a professional force for knowledge transfer and experience sharing - laying a solid talent foundation to support the Company's pursuit of high-quality, sustainable growth.

(IV) Labor Outsourcing

Applicable Not applicable

Total man-hours of outsourced labor (hour)	6,713,929.50
Total remuneration paid for outsourced labor (RMB0'000)	21,448.78

X. Plan of Profit Distribution or Capitalization of Surplus Reserve

(I) The Formulation, Implementation or Adjustment of the Company's Cash Dividend Policy

Applicable Not applicable

Profit distribution policy of the Company:

1. Basic principles for profit distribution of the Company:

(1) The Company's profit distribution policy shall maintain continuity and stability, attach importance to reasonable return on investment for investors, and shall be for the long term interest of the Company, in the interest of all shareholders as a whole, and for the sustainable development of the Company;

(2) Where cash dividend is feasible, the Company shall give priority to adopt dividend distribution in cash.

2. Specific policies of the Company for profit distribution are:

(1) Form of profit distribution:

The Company distributes dividends in the form of cash, stock or a combination of cash and stock.

(2) Conditions for cash dividends:

(a) The distributable profit of the Company (i.e. any remaining profits after tax after making up for the losses and making contributions to the reserve) is positive in the current year and the cash flow is sufficient, and the implementation of cash dividends will not affect the Company's subsequent sustainable operation;

(b) The Company's accumulated profits available for distribution are positive;

(c) The Company has no events such as material investment plan or significant cash expenditure, excluding projects using proceeds raised in the coming twelve months. Major investment plan or major cash expenditure means that the accumulated expenditures of the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months amount to or exceed 10% of the latest audited net assets of the Company.

(3) Proportion of cash dividends:

In principle, annual profit distribution shall be made once a year when the conditions for cash dividend are met. The Company adopts a fixed proportion policy for cash dividend, that is, the profit distributed in cash every year shall not be less than 10% of the distributable profit realized by the Company in that year, and the accumulated profits distributed in cash in the last three years shall not be less than 30% of the annual distributable profits realized by the Company in the last three years.

(4) The Board shall propose a differentiated cash dividend policy in accordance with the procedures as required by this Articles of Association, taking into full account of various factors such as features of the industries where the Company operates, the stage of development of the Company, its own business model, level of profitability, and whether there is significant capital expenditure arrangement, and based on the following situations:

(a) If the Company is at the mature stage of development and has no significant capital expenditure arrangement, when profit distribution is made, the cash dividends shall at least account for 80% of the profit distribution;

(b) If the Company is at the mature stage of development and has significant capital expenditure arrangements, when profit distribution is made, the cash dividends shall at least account for 40% of the profit distribution;

(c) If the Company is at the growth stage of development and has significant capital expenditure arrangements, when profit distribution is made, the cash dividends shall at least account for 20% of the profit distribution.

The specific stage of the Company during the actual dividend distribution shall be determined by the Board of Directors of the Company in accordance with the specific circumstances.

(4) Conditions for issuing stock dividends:

The Company may adopt stock dividends for profit distribution under the premise of ensuring the minimum cash dividend proportion and the reasonable size of the Company's share capital and shareholding structure, after meeting the above-mentioned conditions for cash dividends and taking into account factors such as the Company's growth and dilution of net assets per share, and considering that the issuance of stock dividends is beneficial to the overall interests of all shareholders of the Company, the specific dividend proportion shall be considered and approved by the Board of Directors of the Company and submitted to the general meeting for deliberation and decision.

3. Procedures for considering the Company's profit distribution plan:

The board of directors shall formulate the profit distribution scheme according to the established profit distribution policy and submit it to the general meeting for deliberation. The profit distribution scheme shall be deliberated and approved by the general meeting with more than two-thirds of the voting rights held by the shareholders present at the general meeting.

Independent Directors can collect views from minority shareholders to put forward the profit distribution proposal and directly propose to the Board for consideration.

Before the general meeting considers the profit distribution plan, the Company shall take various ways to fully discuss and communicate with the shareholders, especially the minority shareholders holding

shares of the Company, regarding the cash dividend plan, listen to the opinions and demands of the minority shareholders, and promptly respond to the concerns of the minority shareholders.

When resolution is made by general meeting on the profit distribution scheme, the Board shall complete the dividend (or share) distribution issues in 2 months after the general meeting.

The Company shall disclose in detail the formulation and implementation of the cash dividend policy during the Reporting Period in its periodic reports.

4. Change in the Company's profit distribution policy:

The dividend policy shall not be adjusted at will to lower the level of return to shareholders after it is determined. The Company may adjust or change the cash dividend policy if the Company needs to adjust the dividend policy in the event of force majeure such as war, natural disasters, or changes in the Company's external business environment that have a significant impact on the Company's production and operation, or when the Company's operating conditions change significantly, or for the needs of production and operation, investment planning and long-term development, or when the relevant provisions of the dividend policy are modified by regulatory authorities.

If it is necessary to adjust or change the profit distribution policy, the conditions stipulated in the Articles of Association shall be satisfied and the relevant proposals shall be subject to detailed demonstration. The Supervisory Committee of the Company shall consider the profit distribution policy formulated and modified by the Board of Directors and approve them by voting of more than half of the supervisors.

The profit distribution policy proposed by the Board shall be approved by more than half of the Board members and then submitted to the general meeting for deliberation and approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting. The relevant proposal submitted to the general meeting shall explain the reasons for changing the profit distribution policy in detail. When the general meeting considers matters related to the adjustment to the profit distribution policy, the Company shall provide methods such as an online voting to facilitate shareholders' participation in the general meeting.

5. Plan for the use of undistributed profits for the current year

The Company's undistributed profits for the year will be retained by the Company for production and operation and carried forward for distribution in future years.

Formulation and implementation of profit distribution plan during the Reporting Period

The 2023 profit distribution plan of the Company: Based on the shares for distribution on the date of stock registration when the Company implements the 2023 profit distribution plan (Total share capital less the number of shares in the company's special account for repurchases), the Company will distribute a cash dividend of RMB2.00 (tax inclusive) for every 10 shares held by each shareholder. There will be no plan for conversion of capital reserve into share capital.

The above proposal was considered and approved by the 8th meeting of the 11th Board of Directors of the Company and then submitted to the 2023 Annual General Meeting of the Company for consideration and approval.

The above profit distribution plan was implemented on 6 June 2024.

(For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE)

In 2023, the Company distributed cash dividends in the amount of RMB437,401,038.60, which exceeded 10% of the distributable profit realized by the Company in 2023. From 2021 to 2023, the Company continuously distributed cash dividends for three consecutive years, with a cumulative amount of RMB1,815,918,985.44, which exceeded 30% of the average distributable profits realized by the Company in the past three years (2021 to 2023), in compliance with the cash dividend policy as stipulated in the Articles of Association of the Company.

(II) Special Description of the Cash Dividend Policy

Applicable Not applicable

Whether in compliance with the requirements of the Articles of Association and resolutions of the general meetings	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the criteria and payout ratio for dividend distribution are clear and definite	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedure and mechanism are complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent directors have performed their duties and responsibilities and played their proper roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether minority shareholders are given opportunities to express their opinions and demands freely, and whether their legitimate rights and interests are adequately protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) Reasons in Detail for Not Proposing Cash Dividend on Ordinary Shares in case of Positive Profit and Distributable Profit of the Parent Company to Holders of Ordinary Shares during the Reporting Period and the Use of and Plan for Such Undistributed Profit

Applicable Not applicable

(IV) Plan for Profit Distribution and Capitalization of Surplus Reserve during the Reporting Period

Applicable Not applicable

Upon audit by Pan-China Certified Public Accountants LLP, the net profit attributable to shareholders of the listed company in the consolidated financial statements for the year 2024 was RMB - 367,136,028.73, while the net profit in the parent company's financial statements was RMB - 305,639,501.63.

In light of the overall loss for 2024 and pursuant to the relevant provisions of the *Articles of Association*, the Company does not meet the prerequisite conditions for cash dividend distribution. Taking into full account the Company's current business operations and future development needs, and in order to safeguard the long-term interests of the Company and its shareholders, the Company proposes not to distribute cash dividends, issue bonus shares, or convert capital reserves into share capital for the year 2024.

1. Explanation for not distributing profits in 2024

In accordance with the *Guidelines No. 3 on the Supervision and Administration of Listed Companies – Cash Dividend Distribution of Listed Companies*, the *Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation*, and other relevant laws, regulations, normative documents, as well as the *Articles of Association*, the Company's profit distribution shall adhere to the principle of prioritizing reasonable returns to investors, while also taking into account the Company's long-term interests, the overall interests of all shareholders, and the goal of sustainable development. As the net profit attributable to shareholders of the listed company as shown in the 2024 consolidated financial statements, and the net profit as reflected in the parent company's financial statements, were both negative – indicating that the Company did not achieve profitability in 2024 – taking into full consideration the current state of the Company's principal business, future development strategies, operational plans, cash flow position, macroeconomic conditions, and the fundraising environment, and in order to safeguard sustainable development and better protect the long-term interests of the Company and all its shareholders, the Company proposes not to distribute cash dividends, issue bonus shares, or convert capital reserves into share capital for the year 2024.

2. Measures proposed by the Company to enhance investor returns

Looking ahead, the Company will continue to focus on its dual core businesses – anode materials for lithium batteries and polarizers – and uphold a customer-centric approach. It will advance a dual-engine strategy of technological innovation and cost leadership by strengthening R&D investment, improving intelligent manufacturing capabilities, and optimizing operational efficiency, all aimed at enhancing operating performance and overall business quality. At the same time, in accordance with the Company's profit distribution policy and its actual operating conditions, the Company will, from the perspective of supporting both corporate development and investor returns, strike a balance between the continuity and relative stability of its dividend policy, and actively distribute dividends in cash to reward investors, share the Company's growth achievements with investors, and enhance overall investor returns.

(V) Cash Dividend Distribution over the Most Recent Three Fiscal Years

Applicable Not applicable

	Unit: Yuan Currency: RMB
Total cash dividends distributed over the most recent three fiscal years (tax inclusive) (1)	1,108,755,405.90
Total amount used for share repurchase and cancellation over the most recent three fiscal years (2)	0.00
Total amount of cash dividends and share repurchase and cancellation over the most recent three fiscal years (3) = (1) + (2)	1,108,755,405.90
Average annual net profit over the most recent three fiscal years (4)	1,029,821,470.98
Cash dividend payout ratio over the most recent three fiscal years (%) (5) = (3) / (4)	107.66

Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the most recent fiscal year	-367,136,028.73
Undistributed profits at the end of the most recent fiscal year in the parent company's financial statements	1,783,565,318.84

XI. Share Option Incentive Scheme, Employee Share Scheme or Other Employee Incentives and Their Impact

(I) Related Matters Under the Incentive Schemes Which Were Disclosed in the Extraordinary Announcements and Had No Further Progress or Change in Implementation

Applicable Not applicable

Item overview	Resolutions are publicized
<p>On 24 April 2024, the 8th Meeting of the 11th Board of Directors and the 7th Meeting of the 11th Supervisory Committee deliberated and approved the <i>Proposal on Cancellation of Certain Stock Options and Repurchase and Cancellation of Certain Restricted Shares under the Company's 2022 Stock Option and Restricted Stock Incentive Plan</i>.</p> <p>On 6 June 2024, the 10th Meeting of the 11th Board of Directors and the 9th Meeting of the 11th Supervisory Committee deliberated and approved the <i>Proposal on Adjustment of Related Equity Price under the Company's 2022 Stock Option and Restricted Stock Incentive Plan</i>.</p> <p>On 27 June 2024 and 1 July 2024, the Company completed the relevant procedures for the adjustment of the repurchase price of the aforesaid restricted shares and their repurchase and cancellation, as well as the adjustment of the exercise price of the stock options and their cancellation at the CSDC Shanghai Branch, respectively.</p> <p>On 29 August 2024, the 11th Meeting of the 11th Board of Directors and the 10th Meeting of the 11th Supervisory Committee deliberated and approved the <i>Proposal on Cancellation of Certain Stock Options and Repurchase and Cancellation of Certain Restricted Shares under the Company's 2022 Stock Option and Restricted Stock Incentive Plan</i>.</p> <p>On 11 September 2024 and 29 October 2024, the Company completed the cancellation procedures for the aforesaid stock options and the restricted stock repurchase and cancellation procedures at the CSDC Shanghai Branch, respectively.</p>	<p>For details, please refer to the relevant announcements of the Company released on the designated information disclosure media and the website of the SSE on 26 April 2024, 7 June 2024, 25 June 2024, 30 August 2024, and 25 October 2024.</p>

(II) Incentives Which Were Undisclosed in Announcement or Might Have Had Subsequent Progress

Share option incentive scheme
Applicable Not applicable

Employee share scheme
Applicable Not applicable

Other incentives
Applicable Not applicable

(III) Share Incentives Granted to Directors and Senior Management during the Reporting Period

Applicable Not applicable

(IV) Description of the Establishment and Implementation of the Appraisal and Incentive Mechanism for Senior Management During the Reporting Period

Applicable Not applicable

The Company establishes and gradually improves a fair and transparent performance evaluation and assessment system and incentive and restraint mechanism for directors and managers, linking the remuneration of senior executives with benefits. The appointment of senior executives was open, transparent and in compliance with the relevant laws and regulations.

The Company's remuneration follows the principles of fairness, equity, cost control and budgeting, and implements a remuneration system based on job evaluation, performance evaluation, and market-oriented salaries to provide employees with competitive remuneration and benefits.

XII. Construction and Implementation of Internal Control System during the Reporting Period

Applicable Not applicable

The Company has built an internal control construction system based on the internal control framework system of NBSS, and each subsidiary has formulated their own internal control system and strictly implemented them, covering 16 management business cycles and 99 internal control management sub-systems, including comprehensive management, internal control management, personnel management, information management, public affairs, security management, financial management, procurement management, sales management, credit management, investment management, engineering project management, R&D management, securities management, brand management and risk asset management. In the first half of 2024, each subsidiary completed the revision of the internal control system according to the internal control framework system of NBSS, further strengthening the provisions related to the approval of related party contracts, review of large-sum payments, supplier access management, and decision-making management for material matters.

The current internal control systems cover the major aspects of the Company's operational management. The system design is sound and reasonable, with no material omissions. The Company's headquarters has established an Audit and Supervision Department and an Internal Control Department, which are responsible for the establishment, improvement, and effective implementation of internal control systems for both the Company and its subsidiaries. These departments conduct inspections and supervision of the formulation and execution of Company policies and follow up on the rectification of any issues identified during inspections. The internal control system is capable of preventing, detecting, and correcting significant errors and frauds that may arise during the Company's operations in a timely manner. During the Reporting Period, there were no material deficiencies in the protection of the Company's assets, or in ensuring the authenticity, accuracy, and timeliness of accounting records and accounting information, as well as with respect to the completeness, reasonableness, and effectiveness of the internal control systems.

Explanation on material defects regarding internal control during the Reporting Period

Applicable Not applicable

XIII. Management and Control over Subsidiaries during the Reporting Period

Applicable Not applicable

In accordance with the *Company Law*, the *Securities Law* and other laws and regulations and the relevant provisions of *Articles of Association*, the Company has formulated the *Internal Control Framework System of Ningbo Shanshan Co., Ltd.* while taking into account the Company's actual situation. Under the framework of the Company's overall policy and objectives, the subsidiaries manage themselves and operate their corporate assets legally and effectively, while implementing the Company's rules and regulations for subsidiaries without affecting their independent business management.

The Company manages the subsidiaries by appointing their directors, supervisors and important senior management, clearly stipulating the reporting system and consideration procedures for material matters, and participating in major investment decisions of the subsidiaries. In addition, the Audit and Supervision Department and the Internal Control Department of the Company regularly inspect and supervise the subsidiaries in terms of administration, personnel, capital, finance, investment, procurement, engineering, safety and environmental protection, risk assets, connected transactions, disclosure of information, and construction and implementation of systems, and supervise the subsidiaries to rectify the internal control deficiencies found, so as to continuously enhance the Company's operation and management as well as the ability to prevent risks.

During the Reporting Period, the Company did not lose the control over its subsidiaries.

XIV. Relevant Statement regarding the Internal Control Audit Report

Applicable Not applicable

For details, please refer to the *Internal Control Audit Report of Ningbo Shanshan Co., Ltd. for 2024* disclosed on the website of the SSE.

Whether to disclose the internal control audit report: Yes

Type of opinion on the audit report of internal control: standard unqualified opinion

XV. Rectification of Problems Identified by Self-Examination during the Special Action on Governance of Listed Companies

Not applicable

Section V Environmental and Social Responsibility

I. Environmental Protection Information

Is there a mechanism related to environmental protection?	Yes
Environmental protection funds invested during the Reporting Period (Unit: RMB0'000)	10,190.06

(I) Explanation on Environmental Protection Efforts of the Highly Polluting Companies and Their Major Subsidiaries as Announced by the Environmental Protection Authorities

√Applicable Not applicable

1. Pollutant discharge

√Applicable Not applicable

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
Shanjin Optoelectronics (Nanjing) Co., Ltd.	Wastewater	Chemical oxygen demand (COD)	229.5mg/L	270.075	702.255	None	Indirect discharge	1 discharge outlet	Discharge Standard of Water Pollutants for Electronic Industry (GB39731-2020) and takeover standards of sewage treatment plants in Nanjing Economic and Technological Development Zone
		Ammonia nitrogen	0.6mg/L	0.679	3.701				
		Total phosphorus	0.17mg/L	0.205	0.633				
		Total nitrogen	7.54mg/L	9.238	21.531				
		Suspended solid	53mg/L	53.119	564.297				
	Waste gas	Sulfur dioxide	4.8mg/m ³	0.191	0.49	None	Organized emission	9 discharge outlets	
		NOx	3.3mg/m ³	3.23	8.095			9 discharge outlets	

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
Shanjin Optoelectronics Technology (Zhangjiagang) Co., Ltd.		VOCs (in total non-methane hydrocarbons)	6.3mg/m ³	19.24	96.777			15 discharge outlets	
		Particulate matter	3.1mg/m ³	1.708	3.446			12 discharge outlets	
	Production wastewater	COD	296.05mg/L	113.35	393.109	None	Connected to the sewage network	2 discharge outlets	Table 1 Indirect Discharge Standards under the <i>Discharge Standard of Water Pollutants for Electronic Industry</i> (GB 39731-2020) and level 3 standard under Table 4 of the <i>Integrated Wastewater Discharge Standard</i> (GB 8978-1996)
		Suspended solid	16mg/L	6.2	74.981				
	Waste gas	Sulfur dioxide	≤5mg/m ³	0.5103	1.189	None	Organized emission	3 discharge outlets	<i>Integrated Emission Standard of Air Pollutants</i> (DB32/4041-2021) and <i>Emission Standard of Volatile Organic Compounds for the Chemical Industry</i> (DB32/3151-2016)
		NOx	≤14mg/m ³	1.811	5.641			3 discharge outlets	
		VOCs (in total non-methane hydrocarbons)	5.6mg/m ³	5.361	79.925			7 discharge outlets	
		Particulate matter	1.6mg/m ³	1.088	2.431			3 discharge outlets	

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
Shanjin Optoelectronics (Guangzhou) Co., Ltd.	Waste gas	VOCs	≤30mg/m ³	11.13	Total≤121.6	None	Organized emission	12 discharge outlets: around the plants and on the roofs of the buildings	<i>Emission Standard of Volatile Organic Compounds - Furniture Manufacturing Industry (DB44/814-2010)</i> Level 2 standard of <i>Guangdong Emission Limits of Air Pollutants (DB44/27-2001)</i> in the second time period Table 2 Limits of emission concentration of air pollutants from gas-fired boilers in Guangdong Provincial <i>Standards for Boiler Emission of Air Pollutants (DB44/765-2019)</i> Table 3 Limits of emission concentration of air pollutants from gas-fired boilers in Guangdong

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
	Wastewater	BOD5	109.95mg/m ³	46	/	None	/	1 discharge outlet	Provincial Standards for Boiler Emission of Air Pollutants (DB44/765-2019)
		Suspended solid	13.04mg/m ³	7.6	/				Subject to the indirect emission limits in Table 1 of the Discharge Standard of Water Pollutants for Electronic Industry (GB39731-2020)
		Total phosphorus	0.06mg/m ³	0.037	/				Difference: 1. 20mg/L for Ammonia nitrogen;
		LAS	0.47mg/m ³	0.26	/				2. 45mg/L for Ammonia nitrogen
		Iodide	57.23mg/m ³	47.2	/				
		COD	230.42mg/m ³	112.5	510.421				
		Ammonia nitrogen	0.40mg/m ³	0.26	1.734				
Shanghai Shanshan Technology Co., Ltd.	Waste gas	Particulate matter	7.6mg/m ³	0.011109	0.036362	None	Organized (Discharged at an altitude of 15m after treatment according to relevant standards), unorganized	5 discharge outlets: workshop 2 (1), workshop 3 (2), workshop 4 (2)	Integrated Emission Standard of Air Pollutants DB31/933-2015
Ningbo Shanshan New	Waste gas	VOCs	0.72mg/m ³	0.030711	7.96	None	Discharged at an altitude	12 discharge outlets: 9 dust	Integrated Emission Standard of Air
		SO2	0.18mg/m ³	0.327958	0.52				

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented	
Material Technology Co., Ltd.		NOX	0.76mg/m ³	1.269706	19.44		of 15m after treatment according to relevant standards	outlets, 2 exhaust outlets, 1 canteen fume outlet	<i>Pollutants (GB16297-1996) Emission Standard of Cooking Fume (Trial (GB18483-2001) Implementation Plan for Comprehensive Control of Air Pollution of Industrial Furnaces in Zhejiang Province</i>	
		Particulate matter	2.53mg/m ³	2.043902	17.09					
Fujian Shanshan Technology Co., Ltd.	Waste gas	Sulfur dioxide	200mg/Nm ³	0.630762	5.778		None	Organized emission	10 discharge outlets: semi-finished product processing workshop discharge outlet 1#, semi-finished product processing workshop discharge outlet 2#, semi-finished product processing workshop discharge outlet 3#, finished product processing workshop 1 north line	<i>Integrated Emission Standard of Air Pollutants » (GB16297-1996) Emission Standard of Air Pollutants for Industrial Furnaces (GB9078-1996) Emission Standard of Volatile Organic Compounds for Industrial Enterprises (DB35/1782-2018) Scheme for Comprehensive Control of Air Pollution of Industrial Furnaces in Fujian Province</i>
		Particulate matter	30mg/Nm ³	0.066677	1.341					
		Asphalt fume	40mg/Nm ³	0.384675						
		NMHC	80mg/Nm ³	2.106253						
		Benzopyrene	<2*10 ⁻⁶ mg/m ³	0	10.1 (VOCS)					

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
								discharge outlet 4#, organic exhaust gas exhaust funnel 5#, finished product processing workshop 1 south line discharge outlet 6#, breaking and grading workshop discharge outlet 7#, press-ton package room discharge outlet 8#, finished products processing workshop 2 discharge outlet 9#, semi-finished product processing workshop aqueous phase discharge outlet 10#	(Min Huan Bao Da Qi (2019) No.10)
Inner Mongolia Shanshan New	Waste gas	Particulate matter	4.7mg/Nm ³	5.166	32.852	None	Organized emission +	5 discharge outlets: 1# graphitization	<i>Integrated Emission Standard of Air</i>
		Sulfur dioxide	11mg/m ³	8.058	40.735				

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
Material Co., Ltd.		NOx	33mg/Nm ³	23.631	93.154		fugitive emission	workshop exhaust, 2# graphitization workshop exhaust, 3# graphitization workshop exhaust, 4# graphitization workshop exhaust, 2# warehouse exhaust	<i>Pollutants (GB16297-1996) Emission Standard of Air Pollutants for Industrial Furnaces (GB9078—1996)</i>
		NMHC	1.64mg/Nm ³	0.849	63.722				
		Asphalt fume	<17.3mg/Nm ³	15.409008					
		Benzopyrene	<0.000002mg/Nm ³	7.00E-06					
	Wastewater	COD	41.667mg/L	4.086	22.15	None	Connected to the sewage network	3 discharge outlets: the discharge outlets are located next to the south west gate of the plant, the east of the north gate of the plant and the west of the north gate of the plant	<i>Integrated Wastewater Discharge Standard (《污水综合排放标准》)(GB8978-1996)</i>
		Ammonia nitrogen	13.900mg/L	0.489	2.93				
Inner Mongolia Shanshan Technology Co., Ltd.	Waste gas	Particulate matter	3.5mg/m ³	4.441	4.5	None	Organized emissions are discharged upon treatment to	10 emission outlets: 6 for drying, 1 for modification, 1 for pilot testing, 1 for	<i>Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boilers (GB13271-2014)</i>
		NOx	23mg/m ³	6.552	35.394				
		Sulfur dioxide	11mg/m ³	0.701	0.72				
		NMHC	5.72mg/m ³	1.4616	/				
		Asphalt fume	16.96mg/m ³	0.8652	/				

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
		Benzopyrene[a]	Nil	0.000000882	/		meet standards; fugitive emissions	carbonization, 1 for boiler	<i>Emission Standard of Pollutants for Battery Industry</i> (GB30484-2013) <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996) <i>Emission Standard of Air Pollutants for Industrial Furnaces</i> (GB9078-1996)
		Wastewater	BOD5	79.5mg/L	/	/	None	Connected to the sewage network	3 discharge outlets: located at the east gate, west gate, and south gate, respectively
	Total salt content	634mg/L	/	/					
	Animal and vegetable oil	0.54mg/L	/	/					
	COD	266mg/L	6.3	42.56					
	Total phosphorus	3.04mg/L	/	/					
	Suspended solid	42mg/L	/	/					
	Ammonia nitrogen	17.2mg/L	1.6	1.76					
Yunnan Shanshan New Material Co., Ltd.	Waste gas	Particulate matter	4.23mg/Nm ³	29.73	149.373	None	Organized emission + fugitive emission	27 emission outlets: 9 in pulverizing workshop 1, 6 in pulverizing workshop 2, 3	<i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996) <i>Emission Standard of Air Pollutants for</i>
		NMHC	2.46mg/Nm ³	6.55	139.1319				
		Benzopyrene[a]	Not detected	0	0.0000122				
		NO _x	24.2mg/Nm ³	18.04	260.2442				
		Sulfur dioxide	21.33mg/Nm ³	72.73	169.7015				

Company name	Pollutant type	Name of the major pollutants and specific pollutants	Concentration of the discharge	Total discharge (t/a)	Total discharge approved (t/a)	Excess discharge	Discharge method	Number and distribution of discharge outlets	Pollutant discharge standards implemented
		Asphalt fume	19.23mg/Nm ³	24.53	81.785			in modification workshop, 4 in graphitization workshop 1, 4 in graphitization workshop 2, 1 in carbonization workshop	<i>Industrial Furnaces</i> (GB9078-1996) <i>Standard for Fugitive Emission Control of Volatile Organic Compounds</i> (GB37822-2019)
	Wastewater	Suspended solid	53.5mg/L	/	/	None	Domestic sewage is discharged into the Caopu Wastewater Treatment Plant via the sewage collection pipeline network	3 discharge outlets: located at the east gate, west gate, and south gate, respectively	Discharge Standard of Caopu Wastewater Treatment Plant, Anning Industrial Park
		COD	237mg/L	/	/				
		BOD5	59mg/L	/	/				
		pH	7.4mg/L	/	/				
		Total phosphorus	3.5mg/L	/	/				
Ammonia nitrogen	22.15mg/L	/	/						

2. Construction and operation of pollution prevention and control facilities√Applicable Not applicable

During the Reporting Period, the pollution prevention and control facilities of the above subsidiaries were constructed and operated as required: waste gas and waste water generated in the production process were discharged after treatment and meeting the standards; domestic waste was transported and disposed of by the sanitation department, while other general solid waste was entrusted to qualified manufacturers; hazardous waste was stored in special sites and entrusted and transferred to qualified third party for disposal.

3. Evaluation on environmental impact of construction projects and other administrative permissions for environmental protection√Applicable Not applicable

During the Reporting Period, the above subsidiaries have strictly implemented the national laws of evaluation on environmental impact, and carried out evaluation on environmental impact for relevant construction projects in accordance with the requirements.

4. Environmental emergency plan√Applicable Not applicable

The above companies have prepared contingency plans for environmental emergencies, taking into account the actual situation, in order to implement the *Emergency Response Law of the People's Republic of China*, *Environmental Protection Law of the People's Republic of China*, *Interim Measures for the Management of Environmental Emergency Response Plans* (《突发环境事件应急预案管理暂行办法》) and other relevant laws and regulations, practice emergency rescue measures and responsibilities, guarantee the personal safety of employees, and reduce property damage and environmental pollution, thus enabling the rapid, effective and orderly implementation of emergency rescue efforts after an accident.

5. Environmental self-monitoring program√Applicable Not applicable

All the above companies organise self-monitoring and information disclosure for the pollutants discharged in accordance with the relevant regulations, and formulate self-monitoring programs.

6. Administrative penalties for environmental problems during the Reporting Period√Applicable Not applicable

On 29 April 2024, Inner Mongolia Shanshan New Material Co., Ltd. was subject to an administrative penalty imposed by the Baotou Municipal Ecology and Environment Bureau for commencing operation of the pre-graphitization workshop before the completion of its supporting environmental protection facilities. A fine of RMB750,000 was imposed. As of the end of the Reporting Period, Mongolia Shanshan New Material Co., Ltd. has completed corresponding rectification activities.

7. Other environmental information that should be disclosed

Applicable Not applicable

(II) Explanation of Environmental Protection Efforts of Companies Other Than Highly Polluting Companies

Applicable Not applicable

1. Administrative penalties for environmental problems

Applicable Not applicable

2. Disclosure of other environmental information with reference to key emission units

Applicable Not applicable

The Company and its subsidiaries other than the above-mentioned key emission units are not among the key emission units announced by the environmental protection authorities. All aspects of the R&D, production and sales of the Company's lithium battery materials business and polarizer business follow the relevant national environmental regulations; the Company actively promotes energy conservation and emission reduction and pursue green and low-carbon development by increasing its investment in environmental protection equipment and technical transformation.

3. Reasons for not disclosing other environmental information

Applicable Not applicable

(III) Information That Contributes to the Protection of Ecology, Prevention of Pollution and Fulfillment of Environmental Responsibilities

Applicable Not applicable

The Company upholds the development concept of green and environmental protection, actively fulfills its responsibility for environmental governance, regulates production and operation activities in strict accordance with various laws, policies and social criteria, and insists on the unity of economic profit, social responsibility and environmental protection. During the Period, the Company and its subsidiaries strictly complied with the management requirements of emission permits, improved internal environmental governance, took the initiative to optimise and upgrade environmental protection treatment facilities, prevented pollution at source, vigorously implemented clean production and comprehensive utilisation of waste, and consciously reduced environmental pollution and ecological damage and other behaviours. At the same time, the Company carries environmental awareness and behaviour through the actual production operation process. For example, it actively carried out environmental education and training, and organised the practice of good environmental behaviors, such as garbage sorting and tree planting, so that employees have full knowledge and understanding of environmental protection.

(IV) Measures Taken to Reduce Its Carbon Emissions during the Reporting Period and the Results

Whether to take carbon reduction measures	Yes
Emission reduction of CO2 equivalent (in tons)	1,140,074.35

Type of carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that help reduce carbon emissions, etc.)	Use of clean energy, energy-saving upgrades of building equipment, R&D of green products, establishment of green manufacturing systems, and development of a green supply chain
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Instructions

Applicable Not applicable

By taking practical actions to fulfill our commitment to energy management, we are committed to easing the environmental and climate impact of greenhouse gas emissions on global warming, promoting the concept of sustainable development, and assuming environmental and social responsibility. During the Reporting Period, the measures taken by the Company to reduce its carbon emissions and their effects are as follows:

1. Use of clean energy

During the Reporting Period, Shanshan Anode's plants actively participated in green power trading and green certificate trading, with an annual trading volume of 1,834,122.56 megawatt hours,, reducing carbon dioxide emissions by approximately 1,138,000 tons, continuously advancing the green and low-carbon transition.

2. Energy-saving upgrades of building equipment

During the Reporting Period, plants of Shanshan Anode and Shanjin Optoelectronics actively implemented energy-saving upgrades for buildings and equipment, promoting energy recycling, reducing consumption of conventional energy, and lowering greenhouse gas emissions. At Shanshan Anode’s Qingshan plant, and Shanjin Optoelectronics’ Nanjing and Zhangjiagang plants, idle rooftop space was utilized for the installation of rooftop photovoltaic power generation projects to supply electricity to the factories. At Shanshan Anode’s Jiuyuan, Qingshan, and Ningbo plants, and Shanjin Optoelectronics’ Guangzhou and Zhangjiagang plants, waste heat recovery systems were installed to recycle waste heat generated during production processes, replacing energy sources such as natural gas and steam. These measures reduced carbon dioxide emissions.

3. Green product R&D

Shanjin Optoelectronics remains committed to supporting sustainable low-carbon development through the development of environmentally friendly polarizer products. It has already launched various green and low-carbon products, including low-solvent PSA, solvent-free PSA, and UV adhesives. During the Period, its independently developed “Eco-Friendly Polarizer” achieved a major breakthrough in the field of environmental protection, with a bio-based carbon content as high as 32%, and was awarded the “SGS Green Mark” ENVIRONMENTAL CLAIMS CERTIFICATE.

4. Green office environment

The Company has continuously improved its green operation system and promoted environmentally conscious practices across all staff through various initiatives. These include double-sided printing, eliminating physical sign-in sheets, using conference systems for remote meetings, encouraging the use of personal cups in meeting rooms, reducing the use of paper cups and bottled water, and limiting air conditioning temperature settings. These measures aim to foster a culture of conservation and reduce waste

in electricity, water, and office supplies. In addition, the Company organized relevant training sessions, both group-based and self-study, and launched initiatives for rational improvement proposals. It also facilitated exchanges between technical experts and employees to embed green concepts in every aspect of daily operations.

5. Green manufacturing system

The Company has actively advanced the development of its green manufacturing system, accelerating the construction of new production bases that are resource-efficient and environmentally friendly. As of the date of this Report, the Company has a total of five certified green factories: Shanjin Optoelectronics' Nanjing plant has been recognized as a "National-Level" Green Factory; Shanjin Optoelectronics' Guangzhou plant has been recognized as both a "National-Level" and "Provincial-Level" Green Factory; Shanshan Anode's Chenzhou plant has been rated as a "Provincial-Level" Green Factory; Shanshan Anode's Sichuan plant has been rated as a "Municipal-Level" Green Factory and Zero-Waste Enterprise; Shanshan Anode's Ningbo plant has been rated as a "Municipal-Level" Green Factory and a Quiet Factory. In addition, Shanshan Anode's Qingshan plant was selected as a "Baotou Municipal-Level Green Manufacturing Demonstration Unit"; Shanshan Anode's Ningbo plant voluntarily conducted a cleaner production audit in accordance with relevant requirements and completed a *Cleaner Production Audit Report*.

6. Green supply chain development

The Company has established a collaborative supply chain mechanism, working hand in hand with upstream and downstream partners to carry out carbon footprint initiatives. It has placed emphasis on optimizing raw material quality and reducing consumption, thereby developing a green supply chain system that covers procurement, production, transportation, and other stages. By mobilizing the strength of the entire industry, the Company jointly discusses and develops energy-saving and carbon-reduction initiatives, and actively explores the use of carbon offsets to achieve its strategic goal of "carbon neutrality."

In the future, the Company will enhance its engagement in the field of energy conservation, emission reduction and climate change. While controlling and reducing our own carbon emissions, we will effectively drive the value chain to reduce carbon emissions, contributing "Shanshan power" to the industry and the society.

II. Social Responsibility Commitments

(I) Whether to Disclose a Separate Social Responsibility Report, Sustainability Report or ESG Report

Applicable Not applicable

For details, please refer to the *Environmental, Social and Governance (ESG) Report of Ningbo Shanshan Co., Ltd. for 2024* disclosed on the website of the SSE.

(II) Social Responsibility Commitments

Applicable Not applicable

External donations and public welfare projects	Quantity/content	
Total investment (RMB0'000)	100.00	
Including: Capital (RMB0'000)	100.00	
Material discount (RMB0'000)	/	
Number of people benefited (person)	/	

Instructions

Applicable Not applicable

As a socially responsible enterprise, the Company remains fully committed to its corporate social responsibilities and strives to give back to society through various means. It actively engages in charitable and public welfare initiatives, demonstrates corporate care, supports the national rural revitalization strategy, and contributes to building a better society.

During the Reporting Period, the Company and its subsidiaries carried out a series of social welfare activities in various forms, mobilizing corporate volunteers to participate enthusiastically. These efforts not only strengthened internal cohesion among employees but also enhanced their sense of social responsibility. Among them, the Company donated RMB1 million to the Ningbo Yinzhou District Charity Federation to establish a dedicated charitable fund for the purpose of supporting charitable activities and projects. In addition, the Company fulfilled its commitment to social responsibility through a range of initiatives such as assisting underprivileged groups, organizing blood donation drives, and visiting and caring for the elderly – demonstrating the Company's image as a socially responsible corporate citizen.

III. Particulars of Consolidating and Expanding the Results of Poverty Alleviation and Rural Revitalization

Applicable Not applicable

Poverty alleviation and rural revitalization projects	Quantity/content
Total investment (RMB0'000)	10.40
Including: Capital (RMB0'000)	10.40
Material discount (RMB0'000)	/
Number of people benefited (person)	/
Forms of assistance (e.g. poverty alleviation by developing industries, poverty alleviation through increasing employment, poverty alleviation through education, etc.)	Poverty alleviation by developing industries, poverty alleviation through education, and joint outreach activities

Instructions

Applicable Not applicable

Leveraging its resources and capabilities, the Company actively participated in rural revitalization initiatives through industrial poverty alleviation, educational poverty alleviation, joint outreach activities, and other efforts. During the Reporting Period, the Company and its subsidiaries invested a total of RMB104,000 in such efforts. Among these initiatives, Fujian Shanshan, a subsidiary of the Company, actively took part in the "Adopt an Acre of Farmland, Be a Farmer for a Day" campaign organized in Dajia Town, Gutian County, Ningde City, Fujian Province, in response to and in implementation of the national rural revitalization strategy aimed at supporting and benefiting farmers and promoting agricultural development. Sichuan Shanshan focused on supporting disadvantaged groups and underprivileged individuals by organizing outreach visits to local residents in need, elderly Party members, and retired officials, and contributed to students' education through charitable donations. In addition, 18 Party members from the Ningbo Shanshan Party Branch took turns on a quarterly basis to visit and provide assistance to paired low-income farming households in Shenxi Village, Haishu District, Ningbo, offering daily necessities and companionship, helping meet basic living needs while showing warmth and care – reflecting the Company's strong commitment to corporate social responsibility.

Section VI Important Matters

I. Performance of Commitments

(I) Commitments of Obligors, Including the De Facto Controller, Shareholders, Related Parties and Acquirer of the Company and the Company During or Subsisting at the Time of the Reporting Period

√Applicable □Not applicable

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
Commitments made in the report on acquisition or the report on the change in shareholding	Others	Shanshan Group, Pengze Trading, Yinzhou Jielun, Shanshan Holdings, and Mr. Zheng Yonggang	Commitments on the truthfulness, accuracy and completeness of the information provided, commitments on maintaining the independence of the listed company, commitments on avoiding horizontal competition, commitments on reducing and regulating related transactions, commitments on the absence of the circumstances stipulated in Article 6 of the <i>Measures for the Administration of Acquisition of Listed Companies</i> and compliance with Article 50 of the <i>Measures for the Administration of Acquisition of Listed Companies</i> .	31 December 2021, 22 September 2022	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 1 January 2022 and 23 September 2022.	Yes
Commitments in relation to refinancing	Addressing horizontal competition	Shanshan Group	Shanshan Group currently has no engagement and guarantees that it will not engage in business activities that compete with the business of Ningbo Shanshan Co., Ltd. directly or indirectly through any other means in future, and is willing to bear the compensation liability for the economic loss caused to Ningbo Shanshan Co., Ltd. by the violation of the above commitments.	April 2001	No	The commitment was made in April 2001 and long-term effective.	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
	Addressing horizontal competition	Shanshan Holdings, Shanshan Group, and Zheng Yonggang (the Covenantors)	There is no substantial competition between the enterprises directly or indirectly controlled by the Covenantors and NBSS and its holding companies. During the Period when the Covenantors are the (indirect) controlling shareholder/de facto controller of NBSS, the Covenantors and the enterprises controlled by the Covenantors other than NBSS and its holding companies will avoid engaging in any business that competes with the main business of NBSS and its holding companies, and will not engage in any activity that causes damage to the interests of NBSS and its holding companies. If the Covenantors and the enterprises controlled by the Covenantors other than NBSS and its holding companies encounter business opportunities within the scope of the main business of NBSS and its holding companies, the Covenantors will facilitate the transfer of such opportunities to NBSS and its holding companies. In case of any breach of the above commitments, the Covenantors shall bear all losses caused to NBSS.	May 2015	No	The commitment was made in May 2015 and became effective since its issuance, and continues to be valid and irrevocable during the period when the Covenantors are controlling shareholder/de facto controller of NBSS.	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
	Others	Shanshan Group, Pengze Trading, Yinzhou Jielun	Commitments on the source of funds for subscribing to this non-public offering of A-shares of NBSS	25 June 2021	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 26 June 2021.	Yes
	Others	NBSS	Commitments that no new capital investment will be made in finance-like business. For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 6 August 2021.	25 June 2021	Yes	For a period from the date of making the commitments to the completion of the use of the proceeds or within 36 months since the availability of the proceeds.	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
	Others	Directors, senior management, controlling shareholders and de facto controllers of NBSS	Commitments on taking mitigation and remediation measures for the immediate return dilution resulting from this non-public offering of shares.	9 June 2020, 26 April 2021	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 10 June 2020 and 27 April 2021.	Yes
	Others	NBSS	The Company does not provide financial assistance or compensation to investors participating in the subscription, either directly or through interested parties.	9 June 2020	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 10 June 2020.	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
	Shares subject to trading restrictions	Shanshan Group, Pengze Trading, Yinzhou Jielun	The shares subscribed for by the target subscribers in this non-public issue shall not be transferred within 36 months from the closing date of this issuance, and the shares of the Company increased after the closing of this issuance as a result of bonus issue and the conversion of capital reserve to share capital by the Company shall also comply with the above-mentioned arrangement of lock-up period. The reduction of the shares subscribed by the target subscribers after the expiry of the lock-up period is subject to the relevant regulations of the CSRC, the SSE and other regulatory authorities.	9 June 2020, 26 April 2021, 29 April 2021	Yes	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 10 June 2020, 27 April and 30 April 2021.	Yes
Commitments in relation to equity incentive	Others	NBSS	The Company promises that none of the major shareholders or de facto controllers who hold more than 5% of shares and their spouses, parents and children participate in this incentive plan.	23 February 2022	Yes	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 24 February 2022.	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
	Others	NBSS	The Company undertakes that it will not provide loans and financial support in any other forms, including providing guarantee for loans, to the incentive recipients with respect to the acquisition of the relevant equity under this incentive scheme.	23 February 2022	Yes	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 24 February 2022.	Yes
Other commitments	Addressing horizontal competition	NBSS	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 4 February 2020.	1 February 2020	No	Until both of Shaanxi Maoye Industry and Trade Co., Ltd. (陕西茂叶工贸有限公司) and Ningbo Liankangcai Brand Management Co., Ltd. (宁波联康财品牌管理有限公司) cease to be shareholders of Shanshan brand companies.	Yes

Background	Type	Party(ies)	Details	Effective time	Whether the commitments have a performance deadline	Validity period	Whether the commitments have been strictly performed in a timely manner
	Addressing horizontal competition	Shanshan Group	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 13 December 2016.	12 December 2016	No	The Agreement shall remain valid and irrevocable from the date of its entry into force through the term when Shanshan Group is the controlling shareholder of the listed company.	Yes
	Addressing related transactions	NBSS, Mr. Zheng Yonggang	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 9 June 2016.	8 June 2016	No	For details, please refer to the relevant announcements of the Company released on the designated journals and media and the website of the SSE on 9 June 2016.	Yes

(II) The Company’s Explanation on Whether the Profit Forecast on Assets or Projects Was Met and Its Reasons in the Situation That Profit in the Company’s Assets or Projects Is Estimated, and the Period of Which Includes the Reporting Period

Met" Not Met" Not applicable

(III) Fulfillment of Undertakings and Its Impact on Goodwill Impairment Test

Applicable Not applicable

II.Appropriation of Funds by the Controlling Shareholders and Other Related Parties for Non-Operating Purpose during the Reporting Period

Applicable Not applicable

Unit: 0'000 Currency: RMB

Name of shareholder or related party	Connections	Time of appropriation	Reason	Opening balance	Additional amount appropriated during the Reporting Period	Total amount repaid during the Reporting Period	Closing balance	Balance as at disclosure date of annual report	Expected repayment method	Expected repayment amount	Expected repayment time
Shanshan Holdings Co., Ltd.	Indirect controlling shareholder	2003-2024	Subsidiaries of the Company indirectly pay funds to Shanshan Holdings or designated parties of Shanshan Holdings by prepaying supplier's goods or project funds	10,163.79	15,170.43	25,334.22	0.00	0.00	The principal has been paid in cash	Not applicable	Not applicable
Total	/	/	/	10,163.79	15,170.43	25,334.22	0.00	0.00	/		/
Total value at the end of the period as a percentage of the latest audited net assets						0					
Decision procedures for appropriation of funds by the controlling shareholders and other related parties for non-operating purpose						Not applicable					
Reasons for the increase in funds appropriated by controlling shareholders and						For details, please refer to the <i>Special Audit Explanation of Pan-China Certified</i>					

other related parties for non-operating purposes during the period, investigation of responsible persons and measures proposed by the Board of Directors	<i>Public Accountants LLP on the Occupation and Settlement of Non-operating Funds by the Controlling Shareholder of Ningbo Shanshan Co., Ltd. and Other Related Parties (Pan-China Audit[2025] No. 8526)</i> disclosed by the Company on the Shanghai Stock Exchange website on April 26, 2025
Reasons for failure to repay the funds appropriated for non-operating purposes as planned, responsibility investigation and measures proposed by the Board of Directors	Not applicable
CPA's special audit opinion on funds appropriation (if any)	For details, please refer to the <i>Special Audit Explanation of Pan-China Certified Public Accountants LLP on Non-operating Funds Occupation and Other Related Fund Transactions of Ningbo Shanshan Co., Ltd. (Pan-China Audit [2025] No. 8525)</i> and <i>Special Audit Explanation of Pan-China Certified Public Accountants LLP on the Occupation and Settlement of Non-operating Funds by the Controlling Shareholder of Ningbo Shanshan Co., Ltd. and Other Related Parties (Pan-China Audit [2025] No. 8526)</i> disclosed by the Company on the Shanghai Stock Exchange website on April 26, 2025
Reasons for the inconsistency between the non-operational appropriation of funds by controlling shareholders and other related parties disclosed in the annual report and the special audit opinion (if any)	Not applicable

Note: In 2023, Shanshan Holdings Co., Ltd. has accumulated a total of RMB 808 million in borrowed funds, with an outstanding balance of RMB 80 million as of the beginning of current period. According to the bank's loan interest rate for the same period, including the interest of RMB 830 million occupied during the 2022 fiscal year, a total of RMB 216.379 million of interest income was recognized, resulting in an initial balance of RMB 101.6379 million. In 2024, Shanshan Holdings Co., Ltd. borrowed RMB 150 million and settled RMB 1.7043 million in interest based on the bank's loan interest rate for the same period. Therefore, the total newly occupied amount for this period was RMB 151.7043 million. As of April 1, 2024, all principal and interest have been repaid.

III. Illegal Guarantee

Applicable Not applicable

IV. Explanation of the Board on the “Modified Audit Report” from Auditors

Applicable Not applicable

V.The Company's Analysis of and Explanation on Accounting Policies, Changes in Accounting Estimates or Reasons and Impacts of Rectification on Significant Accounting Errors

(I) The Company's Analysis of and Explanation on Accounting Policies as Well as Reasons and Impacts of Changes in Accounting Estimates

Applicable Not applicable

For details, please refer to Note "III. (XXXIV) Changes in significant accounting policies" to financial statements.

(II) The Company's Analysis of and Explanation on Reasons and Impacts of Rectification on Significant Accounting Errors

Applicable Not applicable

(III) Communication with Former Accountants

Applicable Not applicable

(IV) Approval Procedures and Other Explanations

Applicable Not applicable

VI.Appointment and Removal of Accountants

Unit: 0'000 Currency: RMB

	Former	Current
Name of the domestic auditor	BDO China Shu Lun Pan Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
Remuneration of the domestic auditor	300	300
Duration of audit of the domestic auditor	22	1
Names of certified public accountants of the domestic auditor	/	Lu Yaping, Wang Run
Cumulative years of audit services of certified public accountants of the domestic auditor	/	Lu Yaping (1), Wang Run (1)

	Name	Remuneration
Accounting firm engaged for internal control audit	Pan-China Certified Public Accountants LLP	100

Explanation on appointment and removal of accountants

Applicable Not applicable

Taking into full consideration the Company's business development needs, and in order to ensure the independence and objectivity of the audit work as well as to facilitate the smooth conduct of the Company's annual audit, the Company has, upon approval at the 17th meeting of the 11th Board of Directors and the First Extraordinary General Meeting for 2025, appointed Pan-China as the accounting and internal control auditor for the year 2024. The Company has conducted prior communication with the former accountant, BDO, regarding this change, and BDO has expressed no objection to the change.

Explanation on change of accountant during the audit period

Applicable Not applicable

The former accountant, BDO, had conducted certain preliminary audit work. Upon mutual agreement between both parties, the Company has decided not to retain BDO as the auditor for the year 2024.

Explanation on reduction of audit fee by more than 20% (inclusive) from the previous year

Applicable Not applicable

VII.Exposure to Delisting Risk

(I)Reasons for Delisting Risk Warning

Applicable Not applicable

(II)Measures to Be Taken by the Company

Applicable Not applicable

(III)Termination of Listing and Reasons Thereof

Applicable Not applicable

VIII. Matters Relating to Bankruptcy and Restructuring

Applicable Not applicable

IX. Material Litigation and Arbitration

"The Company was involved in any material litigation or arbitration during the year"

"The Company was not involved in any material litigation or arbitration during the year"

During the Reporting Period, other non-material litigation matters of the Company are detailed in Note "XIII. Commitments and Contingencies - (II) Contingencies" to financial statements.

X. Alleged Violations of and Penalty and Rectification Order Against the Listed Company and its Directors, Supervisors, Senior Management, Controlling Shareholders, and Ultimate Controllers

Applicable Not applicable

1. Due to matters concerning non-operational appropriation of funds by the controlling shareholder and the failure to disclose related transactions in a timely manner, the Company and relevant personnel received the *Decision on Administrative Regulatory Measures* ([2024] No. 31) issued by the CSRC Ningbo Branch in June 2024. The CSRC Ningbo Branch decided to take administrative regulatory measures by issuing warning letters to the Company and the relevant personnel. In November 2024, the Company also received the *Decision on Disciplinary Action* ([2024] No. 206) issued by the SSE, whereby the SSE decided to publicly censure the Company's controlling shareholder, Shanshan Holding, and issue a public criticism of the Company and relevant personnel.

Upon receipt of the above Decision on Administrative Regulatory Measures and Decision on Disciplinary Action, the Company and relevant personnel attached great importance to the issues, conducted a thorough review and analysis, and formulated practical and feasible rectification measures. During the Period, the relevant rectification measures have been completed, and subsequent standardization will be continuously maintained.

2. In October 2024, due to suspected failure of the acquirer to fulfill its obligations in accordance with the relevant regulations, the Company's indirect controlling shareholder, Shanshan Holding, received the *Decision on Administrative Penalty* ([2024] No. 3) issued by the CSRC Ningbo Branch. The CSRC Ningbo Branch ordered Shanshan Holdings to make corrections, issued a warning, and imposed a fine of RMB5 million.

The above administrative penalty pertains to matters involving Shanshan Holdings and Jinzhou Yongshan Lithium Industry Co., Ltd. and will not affect the Company's normal production and operation activities.

XI.Explanation on the Integrity of the Company, Its Controlling Shareholders and De Facto Controllers during the Reporting Period

Applicable Not applicable

During the Reporting Period, the Company maintains a good record of integrity. There are no circumstances in which the Company has failed to fulfill obligations determined by legally effective court rulings, or has failed to repay significant overdue debts. The controlling shareholder, Shanshan Group, has experienced certain delays in the payment of loan interest and commercial papers. For details, please refer to the relevant announcements published by Shanshan Group on the website of the SSE. Shanshan Group, Shanshan Holding, Pengze Trading, and Yinzhou Jielun have been listed by relevant courts as judgment debtors and are subject to high-consumption restrictions imposed by relevant courts due to litigation matters.

Subsequently, the Yinzhou Court has ruled that Shanshan Group and its wholly owned subsidiary Pengze Trading shall undergo substantive consolidated restructuring. For details, please refer to “(III) Other Description on Controlling Shareholder and De Facto Controller under sub-section IV of Section VII.”

XII.Major Related Party Transactions

(I) Related Party Transactions Related to Daily Operations

1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes

Applicable Not applicable

2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation

Applicable Not applicable

(1) Deposit in related bank

On 24 April 2024, the 8th Meeting of the 11th Board of Directors of the Company considered and approved the *Proposal on the Estimated Amount of Daily Related Transactions of the Company for 2024*. (For details, please refer to the relevant announcements of the Company released on 26 April 2024)

The Company's maximum deposit balance with Chouzhou Bank was RMB81.718 million and interest income was RMB301,100.

(2) Guarantee provided to related parties

On 16 May 2024, the Company's Annual General Meeting for 2023 considered and approved the *Proposal on the Provision of Related-party Guarantees by the Company for 2024*. (For details, please refer to the relevant announcements of the Company released on 17 May 2024)

As of the end of the Reporting Period, the related-party guarantees provided by the Company for Ningbo Ulica SOLAR Co., Ltd. had been fully settled.

3. Matters undisclosed in extraordinary announcements

Applicable Not applicable

(II) Related Party Transactions in Relation to Acquisition and Disposal of Assets or Equity Interests

1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes

Applicable Not applicable

2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation

Applicable Not applicable

3. Matters undisclosed in extraordinary announcements

Applicable Not applicable

4. Discloseable performance for the Reporting Period of related party transactions with agreed-upon performance targets

Applicable Not applicable

(III) Significant Related Party Transactions in Relation to Joint External Investment

1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes

Applicable Not applicable

2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation

Applicable Not applicable

3. Matters undisclosed in extraordinary announcements

Applicable Not applicable

(IV) Amounts Due From/to Related Parties

1. Matters which were disclosed in extraordinary announcements without subsequent progress or changes

Applicable Not applicable

2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation

Applicable Not applicable

3. Matters undisclosed in extraordinary announcements

Applicable Not applicable

(V) Financial Business Between the Company and Its Related Financial Company, and Between the Financial Company Held by the Company and Its Related Parties

Applicable Not applicable

(VI) Others

Applicable Not applicable

In January 2023, the Company made a prepayment of RMB520 million as an intended property purchase deposit to Ningbo Huafan Network Technology Co., Ltd., a company controlled by Shanshan Holdings. The transaction was later suspended due to uncertainties surrounding the timing of property title certificate issuance. In June 2023, RMB450 million was refunded, leaving a remaining balance of RMB70 million as of year-end 2023. The transaction resumed in early 2024, and on 25 January 2024, the Company made another prepayment of RMB600 million for the property. However, as the Board of Directors determined that the transaction constituted a related-party transaction requiring separate approval and disclosure procedures, the Company requested the counterparty to return the full amount of RMB670 million in prepayments along with applicable interest. As of 1 April 2024, the Company had received full repayment of the RMB670 million prepayment and the corresponding interest, calculated based on the prevailing bank lending rate.

For details of other non-major related transactions, please refer to Note “XI. Related Parties and Related Transactions” to financial statements.

XIII. Material Contracts and Their Implementation

(I) Custody, Contracting or Leasing Business

1. Custody

Applicable Not applicable

2. Contracting

Applicable Not applicable

3. Leasing

Applicable Not applicable

(II) Guarantees

√Applicable □Not applicable

Unit: RMB0'000 Currency: RMB

Guarantees in favor of external parties provided by the Company (excluding guarantees provided to subsidiaries)														
Guarantor	Relationship between guarantor and listed company	Secured party	Guarantee amount	Commencement date of guarantee (date of the agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Total amount of guarantees incurred during the Reporting Period (excluding the guarantees provided to subsidiaries)										0				
Total balance of guarantee as at the end of the Reporting Period (A) (excluding the guarantees provided for subsidiaries)										0				
Guarantees provided by the Company and its subsidiaries to subsidiaries														
Total guarantee to subsidiaries incurred during the Reporting Period										547,000.19				
Total balance of guarantee provided to subsidiaries as at the end of the Reporting Period (B)										951,125.49				
Total guaranteed amount of the Company (including guarantees provided to subsidiaries)														
Total amount of guarantees (A+B)										951,125.49				
Total guaranteed amount as a percentage of net assets of the Company (%)										44.07				
Of which:														
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)										0				
Amount of debt guarantees directly or indirectly provided to the parties with the gearing ratio exceeding 70% (D)										66,737.94				
Total amount of guarantees exceeding 50% of net assets (E)										0				
Total amount of the above three types of guarantees (C+D+E)										66,737.94				
Explanations on outstanding guarantee which may assume joint and several liabilities for repayment										None				

Explanations on guarantees	The statistics on "Guarantees by the Company and its subsidiaries to subsidiaries" include mutual guarantees within the scope of consolidation.
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(III) Cash Asset Management Entrusted to Others

1. Entrusted wealth management

(1) Entrusted wealth management in general

Applicable Not applicable

(2) Single entrusted wealth management

Applicable Not applicable

(3) Impairment provision for entrusted wealth management

Applicable Not applicable

2. Entrusted loan

(1) Entrusted loan in general

Applicable Not applicable

(2) Single entrusted loan

Applicable Not applicable

(3) Impairment provision for entrusted loan

Applicable Not applicable

3. Others

Applicable Not applicable

(IV) Other Major Contracts

Applicable Not applicable

XIV. Use of Proceeds Raised

Applicable Not applicable

**XV. Description of Other Significant Events That Have a Significant Impact on the Value Judgments
and Investment Decisions Made by Investors**

Applicable Not applicable

Section VII Changes in Shares and Particulars of Shareholders

I.Changes in Share Capital

(I) Changes in Shares

1. Changes in shares

Unit: share

	Before this change		Increase or decrease of this change (+, -)					After this change	
	Quantity	Percentage (%)	Issue of new shares	Share dividend	Capitalization of capital reserve into share capital	Others	Subtotal	Quantity	Percentage (%)
I. Shares subject to trading restrictions	500,986,731	22.18				4,827,055 ⁻	4,827,055 ⁻	496,159,676	22.02
1. State-owned shares									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic investors	499,868,481	22.14				4,454,305 ⁻	4,454,305 ⁻	495,414,176	21.99
Including: Shares held by domestic non-state-owned legal persons	488,402,766	21.63						488,402,766	21.67
Shares held by domestic natural persons	11,465,715	0.51				4,454,305 ⁻	4,454,305 ⁻	7,011,410	0.31
4. Shares held by overseas investors	1,118,250	0.05				-372,750	-372,750	745,500	0.03
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons	1,118,250	0.05				-372,750	-372,750	745,500	0.03
II. Tradable shares not subject to trading restrictions	1,757,236,492	77.82						1,757,236,492	77.98
1. RMB-denominated ordinary shares	1,757,236,492	77.82						1,757,236,492	77.98
2. Domestic-listed foreign shares									

3. Overseas-listed foreign shares									
4. Others									
III. Total number of shares	2,258,223,223	100.00				4,827,055	4,827,055	2,253,396,168	100.00

2. Explanations on changes in shares

Applicable Not applicable

On 27 June 2024 and 29 October 2024, the Company implemented and completed the procedures for the repurchase and cancellation of certain restricted shares under the 2022 Equity Incentive Plan, respectively, and a total of 4,827,055 restricted shares were cancelled.

3. Impact of share changes on financial indicators such as earnings per share and net assets per share in the most recent year and period

Applicable Not applicable

During the Reporting Period, the Company repurchased and canceled 4,827,055 restricted shares under the equity incentive plan, and the total share capital of the Company changed to 2,253,396,168 shares. In addition, the Company held 47,735,691 and 101,219,494 shares of the Company's unlimited outstanding shares at the beginning and end of the Period, respectively in its special securities account for repurchases. The above changes in share capital resulted in changes in the basic earnings per share and net assets per share of the Company for the year 2024, the effect is set out in the table below:

Item	Based on new share capital (excluding the closing balance of the special securities account for repurchases)	Based on old share capital (excluding the opening balance of the special securities account for repurchases)
Basic earnings per share (RMB/share)	-0.164	-0.166
Diluted earnings per share (RMB/share)	-0.164	-0.166
Net assets per share attributable to shareholders of the listed company (RMB/share)	9.621	9.763

4. Other disclosures the Company deems necessary or required by securities regulators

Applicable Not applicable

(II) Changes in Restricted Shares

Applicable Not applicable

Unit: share

Name of shareholder	Number of shares subject to trading moratorium at the beginning of the year	Number of shares released from trading moratorium during the year	Increase in the number of shares subject to trading moratorium during the year	Number of shares subject to trading moratorium at the end of the year	Reasons for trading moratorium	Date of release from trading moratorium
Shanshan	205,264,756	0	0	205,264,756	Lock-up period	Subject to the

Group					for non-public issuance of shares	relevant announcement to be issued by the Company at that time.
Pengze Trading	205,264,756	0	0	205,264,756	Lock-up period for non-public issuance of shares	
Yinzhou Jielun	77,873,254	0	0	77,873,254	Lock-up period for non-public issuance of shares	
Li Fengfeng	337,500	0	-112,500	225,000	Lock-up period for restricted incentive shares	Release of lock-up in accordance with the
Zhu Zhiyong	220,500	0	-73,500	147,000	Lock-up period for restricted incentive shares	relevant provisions of the Company's 2022 Equity Incentive Plan or repurchase for
Other equity incentive recipients	12,025,965	0	-4,641,055	7,384,910	Lock-up period for restricted incentive shares	cancellation, subject to the relevant announcement to be made by the Company at that time.
Total	500,986,731	0	-4,827,055	496,159,676	/	/

II. Issuance and Listing of Securities

(I) Particulars about Issuances of Securities during the Reporting Period

Applicable Not applicable

Particulars about issuances of securities during the Reporting Period (particulars of bonds with different interest rates during duration shall be provided separately):

Applicable Not applicable

(II) Changes in Total Number of Shares, Structure of Shareholders, and Structure of Assets and Liabilities of the Company

Applicable Not applicable

During the Period, the total number of shares of the Company decreased from 2,258,223,223 shares at the beginning of the period to 2,253,396,168 shares at the end of the period as a result of the repurchase and cancellation of certain restricted shares under the Equity Incentive Plan. There were corresponding changes in the accounts related to assets and owners' equity of the Company, and there was no impact on the accounts of liabilities.

(III) Existing Shares Held by Internal Employees of the Company

Applicable Not applicable

III.Shareholders and De Facto Controllers**(I) Total Number of Shareholders**

Total number of ordinary shareholders as of the end of the Reporting Period (shareholder)	151,568
Number of shareholders of ordinary shares as at the end of the month immediately preceding the publication date of the annual report (shareholder)	181,212

(II) Top Ten Shareholders and Top Ten Circulating Shareholders (or Shareholders not Subject to Trading Restrictions) as of the End of the Reporting Period

Unit: share

Shareholding of the top ten shareholders (excluding the shares lent through refinancing)							
Name of shareholder (full name)	Changes during the Reporting Period	Number of shares held as at the end of the Reporting Period	Proportion (%)	Number of shares held subject to trading moratorium	Shares pledged, marked or frozen		Nature of shareholders
					Status of shares	Quantity	
Shanshan Group Co., Ltd.	0	782,222,036	34.71	205,264,756	Pledged	716,992,036	Domestic non-state-owned legal person
					Marked	287,012,036	
					Frozen	370,540,078	
Ningbo Pengze Trading Co., Ltd.	0	205,264,756	9.11	205,264,756	Pledged	205,264,756	Domestic non-state-owned legal person
					Marked	53,544,756	
Ningbo Yinzhou Jielun Investment Co., Ltd.	0	77,873,254	3.46	77,873,254	Pledged	29,580,000	Domestic non-state-owned legal person
					Frozen	48,293,254	
Shanshan Holdings Co., Ltd.	0	72,212,189	3.20	0	Pledged	29,430,541	Domestic non-state-owned legal person
					Marked	29,430,541	
					Frozen	42,781,648	
Bailian Group Co., Ltd. (百联集团有限公司)	0	30,743,625	1.36	0	None		State-owned legal person
Hong Kong Securities Clearing Company Limited	-8,444,796	29,430,533	1.31	0	None		Overseas legal person
Tianan Property Insurance Co., Ltd. - Bao Ying No.1	-28,495,897	25,954,201	1.15	0	None		Domestic non-state-owned legal person

Agricultural Bank of China Limited – CSI 500 Open-Ended Index Securities Investment Fund	10,142,138	16,209,366	0.72	0	None	Others
Monetary Authority of Macao – Own Funds	Unknown	5,175,900	0.23	0	None	Overseas legal person
Zhuang Wei	0	4,858,500	0.22	0	None	Domestic natural person
Li Zhihua	0	4,858,500	0.22	0	None	Domestic natural person
Shareholding conditions of the top ten shareholders not subject to selling restrictions (excluding the shares lent through refinancing)						
Name of shareholder	Number of tradable shares not subject to trading moratorium	Type and number of shares				
		Category	Quantity			
Shanshan Group Co., Ltd.	576,957,280	RMB-denominated ordinary shares	576,957,280			
Shanshan Holdings Co., Ltd.	72,212,189	RMB-denominated ordinary shares	72,212,189			
Bailian Group Co., Ltd. (百联集团有限公司)	30,743,625	RMB-denominated ordinary shares	30,743,625			
Hong Kong Securities Clearing Company Limited	29,430,533	RMB-denominated ordinary shares	29,430,533			
Tianan Property Insurance Co., Ltd. – Bao Ying No.1	25,954,201	RMB-denominated ordinary shares	25,954,201			
Agricultural Bank of China Limited – CSI 500 Open-Ended Index Securities Investment Fund	16,209,366	RMB-denominated ordinary shares	16,209,366			
Monetary Authority of Macao – Own Funds	5,175,900	RMB-denominated ordinary shares	5,175,900			
Zhuang Wei	4,858,500	RMB-denominated ordinary shares	4,858,500			
Li Zhihua	4,858,500	RMB-denominated ordinary shares	4,858,500			
Ordos Donghengwang Trading Co., Ltd.	4,726,396	RMB-denominated ordinary shares	4,726,396			

Explanations on the special account for repurchase among the top ten shareholders	The top 10 shareholders have “securities account for share repurchase of Ningbo Shanshan Co., Ltd.”, holding 101,219,494 tradable shares not subject to trading restrictions.
Explanation on the above-mentioned shareholders' proxy voting rights, entrusted voting rights, and waiver of voting rights	N/A
Note on connected relationship or acting in concert of the above shareholders	Shanshan Holdings is the controlling shareholder of Shanshan Group, Pengze Trading is a wholly-owned subsidiary of Shanshan Group, and Yinzhou Jielun is a wholly-owned subsidiary of Shanshan Holdings. Mr. Li Zhihua serves as a director and the general manager of the Company and is currently a director of Shanshan Holding. His shareholding originates from shares acquired through the exercise of stock options under the Company's equity incentive plan and additional purchases made on the secondary market. In addition, the Company is not aware of any related relationships or its persons acting in concert among other shareholders.
Preferred shareholders with their voting rights restored and the number of shares they hold	N/A

Note:

1. As of the end of the Reporting Period, Shanshan Group Co., Ltd. held 782,222,036 shares of the Company, and pledged 716,992,036 shares in total. Both the shares held and the shares pledged include a total of 429.98 million shares transferred to the pledge special account by Shanshan Group Co., Ltd. due to the non-public offering of exchangeable corporate bonds. In addition to the number of pledged, marked, and frozen shares listed in the table, the shares held by Shanshan Group Co., Ltd. at the end of the Period were also subject to judicial freeze in a queued manner, totaling 1,328,477,954 shares.

2. In addition to the number of pledged, marked, and frozen shares listed in the table, the shares held by Shanshan Holdings Co., Ltd. at the end of the Period were also subject to judicial freeze in a queued manner, totaling 401,664,220 shares.

3. As of the end of the Reporting Period, the Company's special securities account for share repurchase held 101,219,494 shares of the Company, accounting for 4.49% of the Company's total share capital. These shares are not included in the aforementioned shareholder holding information.

4. As of the end of the Reporting Period, the Company had 0 GDR in existence.

Lending of shares through refinancing by shareholders holding 5% or more, top ten shareholders, and top ten holders of shares not subject to sales restrictions

Applicable Not applicable

Unit: share

Lending of shares through refinancing by shareholders holding 5% or more, top ten shareholders, and top ten holders of shares not subject to sales restrictions								
Name of shareholder (full name)	Shareholdings in general and credit accounts at the beginning of the period		Shares lent through refinancing and unreturned at the beginning of the period		Shareholdings in general and credit accounts at the end of the period		Shares lent through refinancing and unreturned at the end of the period	
	Total	Proportion (%)	Total	Proportion (%)	Total	Proportion (%)	Total	Proportion (%)
Agricultural Bank of China Limited – CSI 500 Open-Ended Index Securities	6,067,228	0.27	1,825,200	0.08	16,209,366	0.72	0	0.00

Investment Fund								
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Changes from previous period due to lending/returning of shares through refinancing by top ten shareholders and top ten holders of shares not subject to sales restrictions

Applicable Not applicable

The number of shares held by the top ten shareholders subject to trading restrictions and the restriction conditions

Applicable Not applicable

Unit: share

No.	Name of shareholders subject to trading restrictions	Number of shares held subject to trading restrictions	Listing and trading of shares subject to trading restrictions		Trading restriction conditions
			Date eligible for listing and trading	Number of shares newly eligible for listing and trading	
1	Shanshan Group Co., Ltd.	205,264,756			Not transferable within 36 months commencing from the listing date. The specific time for lifting sales restrictions shall be subject to the relevant announcements of the Company at that time.
1	Ningbo Pengze Trading Co., Ltd.	205,264,756			
3	Ningbo Yinzhou Jielun Investment Co., Ltd.	77,873,254			
4	Li Fengfeng	225,000			
5	Ding Xiaoyang	180,000			These are restricted shares subject to the third and fourth lock-up periods initially granted under the Company's 2022 Equity Incentive Plan, which will be released from restriction or repurchased for cancellation in accordance with the relevant provisions of the Company's 2022 Equity Incentive Plan, subject to the relevant announcements of the Company at that time.
6	Zhu Zhiyong	147,000			
7	Geng Hailong	135,000			
7	Jiang Ninglin	135,000			
9	Zhang Hua	120,000			
9	Li Peng	120,000			

Note on connected relationship or acting in concert of the above shareholders	<p>Pengze Trading is a wholly-owned subsidiary of Shanshan Group, and Yinzhou Jielun is a wholly-owned subsidiary of Shanshan Holdings (the controlling shareholder of Shanshan Group).</p> <p>Ms. Li Fengfeng is a director and deputy general manager of the Company, the person in charge of the Company's anode material business, and the chairwoman of Shanghai Shanshan Lithium Battery Material Technology Co., Ltd. (a subsidiary of the Company) and its subsidiaries.</p> <p>Mr. Zhu Zhiyong is the director and deputy general manager of the Company, the head of the Company's polarizer business, and the director and general manager of Shanjin Optoelectronics (Suzhou) Co., Ltd., the Company's subsidiary.</p> <p>The other natural person shareholders are the main management and core technical personnel of the Company's subsidiaries.</p>
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(III) Strategic Investors or General Legal Persons Who Become the Top Ten Shareholders due to the Placement of New Shares

Applicable Not applicable

IV. Controlling Shareholder and De Facto Controllers

(I) Controlling Shareholder

1. Legal person

Applicable Not applicable

Name	Shanshan Holdings Co., Ltd.
Responsible person or legal representative	Zhou Ting
Date of incorporation	30 August 2004
Principal business	Industrial investment, investment management, research and development and sales of clothing, knitgoods, clothing fabrics, and related high-tech materials, precious metals, building materials, chemical products (except dangerous chemicals, monitoring chemicals, civil explosive, precursor chemicals), stationery, machinery, equipment and accessories, daily necessities, fuel oil, lubricants, auto parts, wood, plastic raw materials and products, packaging materials, sales of pulp, paper, paper products and metal materials, import and export of goods and technology, business information consulting. (For items subject to approval according to laws, operation activities may not be commenced until the approval has been obtained from the relevant authorities)
Shareholdings in other domestic and overseas listed companies during the Reporting Period	Previously controlled domestic listed companies: Jinzhou Yongshan Lithium Industry Co., Ltd. (603399); domestic listed company with equity participation: Polaris Bay Group Co., Ltd. (600155), STO Express (002468)
Explanation on other matters	None

Name	Shanshan Group Co., Ltd.
Responsible person or legal representative	Zhou Min
Date of incorporation	28 June 1994
Principal business	General items: clothing manufacturing; apparel wholesale; apparel retail; shoes and hats wholesale; shoes and hats retail; hardware product wholesale; hardware product retail; wholesale of sporting goods and equipment; retail of sporting goods and equipment; stationery product wholesale; stationery product retail; daily necessities wholesale; daily

	necessities sales; cosmetics wholesale; cosmetics retail; auto parts wholesale; sales of leather products; sales of clothing accessories; sales of sewing machines; sales of gold and silver products; sales of metal chains and other metal products; sales of metal materials; sales of electrical machinery and equipment; sales of machinery and equipment; sales of construction materials; sales of building and ornament materials; sales of daily necessities; sales of wood; sales of paper products; sales of daily glass products; sales of rubber products; sales of plastic products; sales of packaging materials and products; sales of animal husbandry and fishery feed; sales of coal and products; sales of petroleum products (not including dangerous chemicals); sales of lubricants; sales of solar thermal utilization equipment; sales of solar thermal power generation equipment; sales of original motive new energy equipment; solar power generation technology services; technology research and development of new materials; non-residential real estate leasing; housing leasing; property management; business management consulting; certification consulting; financial consulting; social and economic consulting services; consulting services of corporate credit management; information technology consulting services; consulting planning services; information consulting services (excluding licensing information consulting services); marketing planning; corporate image planning (freely operated by the enterprise legally based on the business license except for items requiring approval according to the law). Licensed items: food business; food business (sale of bulk food); food business (sale of prepackaged food); import and export agency; import and export of goods; import and export of technology (approvals from competent authorities shall be obtained for the operation of the activities requiring approval in accordance with the laws. The specific items shall be subject to the approval).
Shareholdings in other domestic and overseas listed companies during the Reporting Period	The investments in overseas listed company: Huishang Bank (03698.HK)
Explanation on other matters	None

2. Natural person

Applicable Not applicable

3. Special note that there is no controlling shareholder in the Company

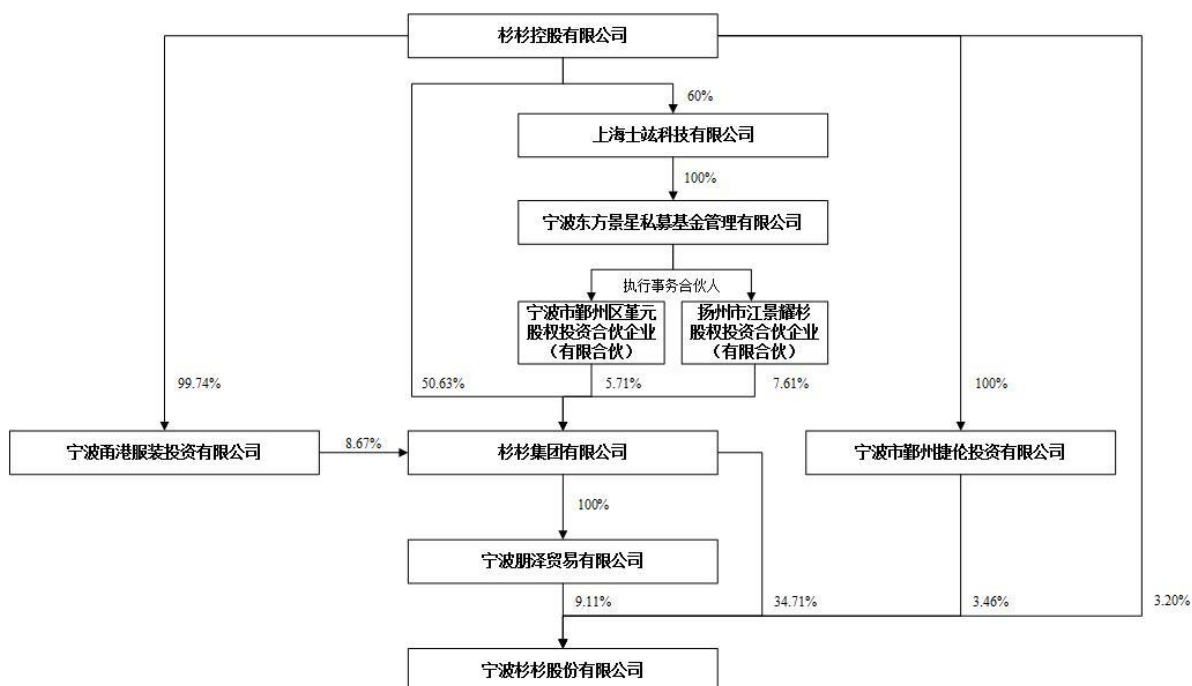
Applicable Not applicable

4. Explanation on changes in controlling shareholder during the Reporting Period

Applicable Not applicable

5. Chart of the ownership and controlling relationships between the Company and the controlling shareholder

Applicable Not applicable



杉杉控股有限公司	Shanshan Holdings Co., Ltd.
上海士兹科技有限公司	Shanghai Shihong Technology Co., Ltd.
宁波东方景星私募基金管理有限公司	Ningbo Orient Jingxing Private Equity Fund Management Co., Ltd.
执行事务合伙人	Executive partner
宁波市鄞州区董元股权投资合伙企业(有限合伙)	Ningbo Yinzhou District Jinyuan Equity Investment Partnership (Limited Partnership)
扬州市江景耀杉股权投资合伙企业(有限合伙)	Yangzhou Jiangjing Yaoshan Equity Investment Partnership Enterprise (Limited Partnership)
宁波甬港服装投资有限公司	Ningbo Yonggang Garment Investment Co., Ltd.
杉杉集团有限公司	Shanshan Group Co., Ltd.
宁波市鄞州捷伦投资有限公司	Ningbo Yinzhou Jielun Investment Co., Ltd.
宁波朋泽贸易有限公司	Ningbo Pengze Trading Co., Ltd.
宁波杉杉股份有限公司	Ningbo Shanshan Co., Ltd.

Note: The above chart reflects the shareholding status as of 31 December 2024.

(II) De Facto Controller

1. Legal person

Applicable Not applicable

2. Natural person

Applicable Not applicable

Name	Zheng Yonggang
Nationality	China
Whether to obtain the right of abode in other countries or regions	No

Major occupations and positions	Former chairman of NBSS, the chairman of the board of directors of Shanshan Holdings, and the chairman of Shanshan Holdings.
Domestic and foreign listed companies in which it had a controlling interest in the past 10 years	NBSS, China-Kinwa Changchun High Technology Co., Ltd. (renamed as “Nuode Investment Co., Ltd.”), Zhejiang IDC Fluid Control Co., Ltd. (renamed as “STO Express Co., Ltd.”), Shandong Jiangquan Industry Co., Ltd., Jinzhou Jixiang Molybdenum Co., Ltd. (renamed as “Jinzhou Yongshan Lithium Industry Co., Ltd”), Shanshan Brand Management Co., Ltd., and FY Financial (Shenzhen) Co., Ltd.

3. Special note that there is no de facto controller in the Company

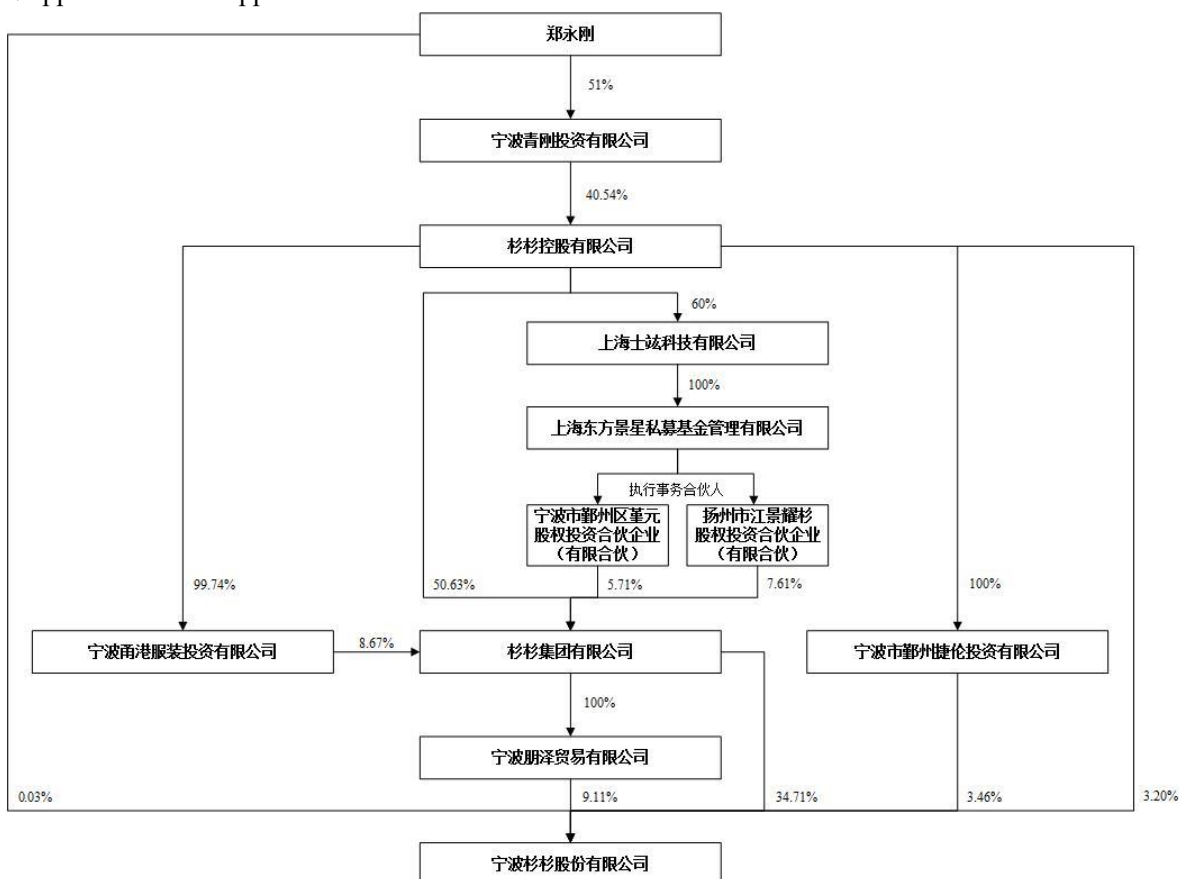
Applicable Not applicable

4. Explanation on changes in the Company’s control right during the Reporting Period

Applicable Not applicable

5. Chart of the ownership and controlling relationships between the Company and the de facto controller

Applicable Not applicable



郑永刚	Zheng Yonggang
宁波青刚投资有限公司	Ningbo Qinggang Investment Co., Ltd.
杉杉控股有限公司	Shanshan Holdings Co., Ltd.
上海士竑科技有限公司	Shanghai Shihong Technology Co., Ltd.
宁波东方景星私募基金管理有限公司	Ningbo Orient Jingxing Private Equity Fund Management Co., Ltd.
执行事务合伙人	Executive partner

宁波市鄞州区堇元股权投资合伙企业(有限合伙)	Ningbo Yinzhou District Jinyuan Equity Investment Partnership (Limited Partnership)
扬州市江景耀杉股权投资合伙企业 (有限合伙)	Yangzhou Jiangjing Yaoshan Equity Investment Partnership Enterprise (Limited Partnership)
宁波甬港服装投资有限公司	Ningbo Yonggang Garment Investment Co., Ltd.
杉杉集团有限公司	Shanshan Group Co., Ltd.
宁波市鄞州捷伦投资有限公司	Ningbo Yinzhou Jielun Investment Co., Ltd.
宁波朋泽贸易有限公司	Ningbo Pengze Trading Co., Ltd.
宁波杉杉股份有限公司	Ningbo Shanshan Co., Ltd.

Note: The above chart reflects the shareholding status as of 31 December 2024.

6. The de facto controller controls the Company through trust or other asset management methods

Applicable Not applicable

(III) Other Description on Controlling Shareholder and De Facto Controller

Applicable Not applicable

1. Determination of the de facto controller

On 10 February 2023, Mr. Zheng Yonggang, the former de facto controller of the Company, passed away due to illness. The shares and related interests held by him in the Company are intended to be subject to succession procedures according to relevant laws and regulations. As of the date of this Report, the Company has not received any legally binding written document or notice confirming the Company's new de facto controller. The Company will pay close attention to the subsequent progress and re-identify the de facto controller based on its share inheritance.

2. Reorganisation application against the controlling shareholder

On 21 January 2025, China Construction Bank Corporation Ningbo Branch, Ningbo Yinzhou Rural Commercial Bank Co., Ltd. Ningchuan Sub-branch, and Industrial Bank Co., Ltd. Ningbo Branch submitted an application to the Yinzhou Court for the reorganisation of the Company's controlling shareholder, Shanshan Group Co., Ltd. On 25 February 2025, the Yinzhou Court ruled to accept the above-mentioned applicants' reorganisation application against Shanshan Group and appointed Zhong Lun Law Firm (Shanghai), Zhejiang Yongtai Law Firm, and Zhejiang Zhongxing Certified Public Accountants (Special General Partnership) as the administrators of Shanshan Group. On 20 March 2025, upon application by the administrators of Shanshan Group, the Yinzhou Court ruled to substantively consolidate the reorganisation proceedings of Shanshan Group and Pengze Trading.

For further details, please refer to the Company's announcements published on the website of the SSE on 27 January 2025, and 27 February 2025, and 22 March 2025, namely: *Announcement of NBSS on Material Matters Concerning the Controlling Shareholder* (Lin 2025-007), *Announcement of NBSS on Court Acceptance of the Reorganisation of the Controlling Shareholder* (Lin 2025-020), and *Announcement of NBSS on Court Ruling on Substantive Consolidation and Reorganisation of Controlling*

Shareholder Shanshan Group Co., Ltd. and Its Wholly Owned Subsidiary Ningbo Pengze Trading Co., Ltd. (Lin 2025-022).

There remains uncertainty as to whether Shanshan Group and Pengze Trading will successfully complete the reorganisation. Given that Shanshan Group and Pengze Trading have entered into reorganization proceedings, the subsequent implementation of the reorganization may result in adjustments to their equity interests in the Company, which in turn may lead to a change in the Company's control. The Company will continue to monitor the progress of the above matters and will strictly fulfil its information disclosure obligations in a timely manner in accordance with applicable laws, regulations, and normative documents.

V.The Cumulative Pledged Shares of the Controlling Shareholder or the Largest Shareholder of the Company and Its Persons Acting in Concert Account for More Than 80% of the Shares Held by the Company

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of shareholder	Total amount of pledged share financing	Specific purpose	Repayment deadline	Source of repayment funds	Whether there is any risk of debt default or forced liquidation	Whether the stability of the Company's control is affected
Shanshan Group	5,420,903,151.24	Pledge financing; guarantee for repayment of exchangeable corporate bonds; guarantee provided to third parties	25 June 2026. etc.	Subject to the reorganization plan	Note 1	Note 2
Shanshan Holdings	45,000,000.00	Guarantee for subsidiary's pledge financing	25 June 2024	Outstanding	Note 1	Note 2
	12,000,000.00	Guarantee for subsidiary's pledge financing	21 July 2024	Outstanding	Note 1	Note 2
Pengze Trading	997,902,537.66	Pledge financing; guarantee for repayment of exchangeable corporate bonds; guarantee	25 June 2026, etc.	Subject to the reorganization plan	Note 1	Note 2

		provided to third parties				
Yinzhou Jielun	227,297,612.27	Supplement working capital	9 December 2026	Outstanding	Note 1	Note 2

Note 1: Explanation of passive disposal of shares held by relevant shareholders

(1) Judicial enforcement of part of the shares held by Yinzhou Jielun

On 7 February 2025, the Company's controlling shareholder Shanshan Group, Shanshan Holdings, and their wholly-owned subsidiaries Pengze Trading and Yinzhou Jielun received the *Enforcement Ruling of Qingdao Intermediate People's Court of Shandong Province* ((2025) Lu 02 Zhi No. 343-1). Due to a loan contract dispute between the applicant for enforcement, Shanghai Haiyi Supply Chain Management Co., Ltd., and the respondents Shanshan Group, Shanshan Holdings, Pengze Trading, and Yinzhou Jielun, the civil judgment ((2024) Lu 02 Min Chu No. 1347) rendered by the Qingdao Intermediate People's Court of Shandong Province (hereinafter referred to as the "Qingdao Court") has taken legal effect. Upon application by the enforcement applicant, the Qingdao Court accepted the case for enforcement in accordance with the law and ruled to transfer 48,293,254 Company shares held by Yinzhou Jielun, together with any entitlements (including bonus shares, stock splits, and cash dividends), to the applicant.

According to an inquiry made by Yinzhou Jielun on 10 February 2025 into the *Investor Securities Holding Change Information of China Securities Depository and Clearing Corporation Limited*, the aforementioned judicial transfer was completed on 6 February 2025 through non-trading means. The number of shares involved accounted for 2.14% of the Company's total share capital.

(2) Share conversion of Shanshan Group's exchangeable corporate bonds

On 13 and 14 February 2025, the Company received notices from Shanshan Group stating that, in accordance with the resolution passed at the first bondholders' meeting in 2025 for the privately placed exchangeable corporate bonds (Phase I to Phase IV) issued by Shanshan Group in 2022 to professional investors, bondholders converted a total of 429,979,936 shares at a conversion price of RMB8.67 per share during the period from 13 to 14 February 2025. These shares accounted for 19.08% of the Company's total share capital.

(3) Judicial disposal of part of the shares held in Shanshan Group's margin trading account

The Company received notification from Guotai Junan Securities Co., Ltd. (hereinafter referred to as "Guotai Junan"), the securities firm managing Shanshan Group's margin trading account, that in accordance with the Qingdao Court's assistance request for judicial enforcement, a total of 31,945,400 shares (accounting for 1.42% of the Company's total share capital) held in Shanshan Group's margin trading account were disposed of via centralized bidding and block trading from 24 to 25 February 2025.

Following the judicial disposal, Shanshan Group and its concerted parties held a total of 628,008,912 shares in the Company, representing 27.87% of the Company's total share capital.

(4) Judicial auction of part of the shares held by Yinzhou Jielun

According to publicly available information on the judicial auction platform of Taobao (sf.taobao.com), 29,580,000 Company shares held by Yinzhou Jielun, a subsidiary of Shanshan Holdings, representing 1.31% of the Company's total share capital, were scheduled to be auctioned by the Ningbo Intermediate People's Court of Zhejiang Province during the period from 10:00 on 24 March 2025 to 10:00 on 25 March 2025 (excluding extensions). According to the final auction results shown on the platform, the auction was declared unsuccessful due to no valid bids being submitted.

(For details, please refer to relevant announcements published by the Company on the website of the SSE)

Note 2: Risk alert on the stability of the Company's control

On 25 February 2025, the Yinzhou Court ruled to accept the reorganization application filed by a relevant applicant against the Company's controlling shareholder, Shanshan Group, and appointed an administrator for the reorganization. On 20 March 2025, the court further ruled to conduct substantive consolidation and reorganization of Shanshan Group and its wholly-owned subsidiary Pengze Trading.

Although the Yinzhou Court has ruled to place Shanshan Group and Pengze Trading into substantive consolidated reorganization proceedings, there remains uncertainty as to whether the reorganization will ultimately succeed. In addition, as Shanshan Group and Pengze Trading enter the reorganization proceedings, the subsequent implementation of the reorganization may result in adjustments to their equity interests in the Company, which may further reduce their shareholdings in the Company and could even lead to a change in the Company's control.

According to a letter from the administrator of Shanshan Group's reorganization, since being appointed by the Yinzhou Court on 25 February 2025, the administrator has been lawfully carrying out related work in stages, including reviewing debt obligations, asset status, litigation matters, and the effectiveness of existing agreements. If any circumstances arise in respect of Shanshan Group that are required to be disclosed pursuant to the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* or other applicable regulations, the administrator will promptly inform the listed company and fulfill relevant disclosure requirements. The Company will continue to monitor the progress of the foregoing matters and strictly comply with its information disclosure obligations in accordance with relevant laws, regulations, and regulatory requirements.

VI. Other Legal Person Shareholders Holding More Than 10% of the Shares

Applicable Not applicable

VII. Explanations on Restrictions on Reduction of Shares

Applicable Not applicable

VIII. Specific Implementation of Share Repurchase during the Reporting Period

Applicable Not applicable

Unit: 100 million Yuan Currency: RMB

Name of share repurchase plan	Share repurchase program through centralized bidding transactions of Ningbo Shanshan Co., Ltd.
Time of disclosure of share repurchase plan	7 June 2024
Number of shares to be repurchased and its percentage of total share capital (%)	Under the condition that the repurchase price is capped at RMB16.60 per share and the repurchase is fully implemented, the estimated number of shares to be repurchased is approximately 24,096,385 shares, representing 1.07% of the total issued share capital of the Company (2,258,223,223), based on the maximum repurchase amount of RMB400 million; the estimated number of shares to be repurchased is approximately 12,048,193 shares, representing 0.53% of the total issued share capital of the Company, based on the minimum repurchase amount of RMB200 million.
Amount to be repurchased	Not less than RMB200 million (inclusive) and not more than RMB400 million (inclusive)
Period of proposed repurchase	Within 3 months from the date of consideration and approval of the share repurchase program by the Board of Directors
Repurchase purpose	The purpose of this share repurchase is to safeguard the Company's value and the rights and interests of its shareholders. The repurchased shares will be sold in accordance with relevant regulations, and any

	portion not sold within the prescribed period shall be cancelled in accordance with the law.
Number of shares repurchased (shares)	30,001,464
Percentage of the repurchased number of shares to the underlying shares involved in the equity incentive plan (%) (if any)	Not applicable
Progress of the Company's share repurchase reduction by means of centralized bidding transactions	Not applicable

Name of share repurchase plan	Share repurchase program through centralized bidding transactions of Ningbo Shanshan Co., Ltd.
Time of disclosure of share repurchase plan	5 February 2024
Number of shares to be repurchased and its percentage of total share capital (%)	Under the condition that the repurchase price is capped at RMB18.60 per share and the repurchase is fully implemented, the estimated number of shares to be repurchased is approximately 26,881,720 shares, representing 1.19% of the total issued share capital of the Company (2,258,223,223), based on the maximum repurchase amount of RMB500 million; the estimated number of shares to be repurchased is approximately 1,344,086 shares, representing 0.6% of the total issued share capital of the Company, based on the minimum repurchase amount of RMB250 million.
Amount to be repurchased	Not less than RMB250 million (inclusive) and not more than RMB500 million (inclusive)
Period of proposed repurchase	Within 3 months from the date of consideration and approval of the share repurchase program by the Board of Directors
Repurchase purpose	The purpose of this share repurchase is to safeguard the Company's value and the rights and interests of its shareholders. The repurchased shares will be sold in accordance with relevant regulations, and any portion not sold within the prescribed period shall be cancelled in accordance with the law.
Number of shares repurchased (shares)	23,482,339
Percentage of the repurchased number of shares to the underlying shares involved in the equity incentive plan (%) (if any)	Not applicable
Progress of the Company's share repurchase reduction by means of centralized bidding transactions	Not applicable

Section VIII Information regarding Preference Shares

Applicable Not applicable

Section IX Information regarding Bonds

I. Corporate Bonds (Including Enterprise Bonds) and Debt Financing Instruments by Non-Financial Enterprises

Applicable Not applicable

II. Convertible Corporate Bonds

Applicable Not applicable

Section X Financial Statements